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The Food and Nutrition Assistance Landscape: Fiscal Year 2022 **Annual Report**

Sajed Toossi and Jordan W. Jones



The U.S. Department of Agriculture typically administers 15 domestic food and nutrition assistance programs that account for roughly two-thirds of the Department's annual budget. These programs—which vary by size, type of benefits, and target population-form a nutritional safety net for millions of children and low-income adults.



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The Food and Nutrition Assistance Landscape: Fiscal Year 2022 Annual Report

Saied Toossi and Jordan W. Jones

Abstract

The U.S. Department of Agriculture (USDA) administers 15 domestic food and nutrition assistance programs that affect the lives of millions of people and account for roughly two-thirds of USDA's annual budget. In response to the Coronavirus (COVID-19) pandemic, USDA launched additional temporary programs and implemented numerous policy changes that expanded the scope and coverage of existing programs. Together, these programs contributed to \$183.0 billion in spending on food and nutrition assistance programs in fiscal year (FY) 2022 (October 1, 2021–September 30, 2022). This report uses preliminary data from USDA, Food and Nutrition Service (FNS) to examine program trends and policy changes in USDA's largest domestic food and nutrition assistance programs through FY 2022. It also summarizes a recent USDA, Economic Research Service (ERS) report examining the prevalence of household food insecurity in the United States in 2021 and another USDA, ERS report examining changes in food choices in the USDA Foods in Schools program.

Keywords: food and nutrition assistance programs, Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), National School Lunch Program (NSLP), School Breakfast Program (SBP), Seamless Summer Option (SSO), Summer Food Service Program (SFSP), Child and Adult Care Food Program (CACFP), Pandemic Electronic Benefit Transfer (P-EBT), emergency allotments, food security, Coronavirus, COVID-19 pandemic, economic conditions

Acknowledgments

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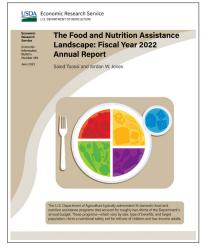
A report summary from the Economic Research Service

The Food and Nutrition Assistance Landscape: Fiscal Year 2022 Annual Report

Saied Toossi and Jordan W. Jones

What Is the Issue?

The U.S. Department of Agriculture (USDA) administers 15 domestic food and nutrition assistance programs that affect the lives of millions of people and account for roughly two-thirds of USDA's annual budget. In response to the Coronavirus (COVID-19) pandemic beginning in fiscal year (FY) 2020 and continuing into FY 2022, USDA implemented additional temporary programs and numerous policy changes that expanded the scope and coverage of existing programs. As a result, participation in and spending on these programs changed substantially. This report examines trends in USDA's largest domestic food and nutrition assistance programs through FY 2022 (October 1, 2021–September 30, 2022). The report also documents policy changes in FY 2022 and trends in economic and social indicators affecting participation in and spending on food and nutrition assistance programs. In addition, it summarizes two recent USDA,



Economic Research Service (ERS) reports: one examines the prevalence of household food insecurity in the United States in 2021; and another examines changes in food choices in the USDA Foods in Schools program in response to revised nutrition standards.

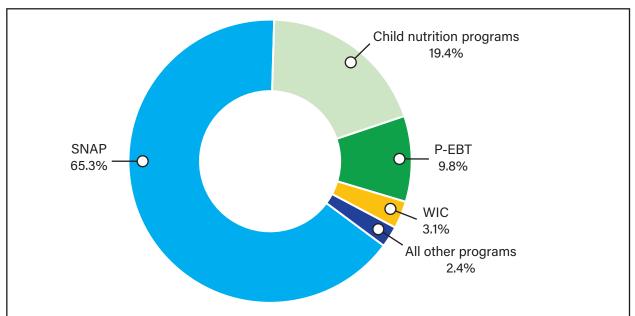
What Did This Study Find?

In FY 2022:

- Total spending on these programs amounted to \$183.0 billion, 6.0 percent lower than the inflation-adjusted high of \$194.7 billion in FY 2021. The decrease was primarily driven by lower spending on the Pandemic Electronic Benefit Transfer (P-EBT) program.
- On average, 41.2 million people participated in the Supplemental Nutrition Assistance Program (SNAP) each month, 0.8 percent fewer than in FY 2021. Higher benefit levels resulting from the 2021 Thrifty Food Plan reevaluation and the continued issuance of emergency allotments contributed to higher SNAP spending of \$119.5 billion, 5.0 percent more than in FY 2021.

ERS is a primary source of economic research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

- On average, 6.3 million people participated in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) each month, nearly the same as FY 2021. Total WIC spending was \$5.7 billion, 14.3 percent more than in FY 2021, reflecting an increase in food costs.
- The National School Lunch Program (NSLP), School Breakfast Program (SBP), Child and Adult Care Food Program (CACFP), and Summer Food Service Program (SFSP) served a combined 9.4 billion meals. Total spending on these programs was \$33.6 billion, 24.9 percent more than in FY 2021.
- USDA continued to operate P-EBT in FY 2022. P-EBT benefits were issued to eligible families at a cost of \$17.9 billion, 36.9 percent less than the amount issued in FY 2021.



USDA food and nutrition assistance spending by program, FY 2022

SNAP accounted for about two-thirds of spending

FY = fiscal year. SNAP = Supplemental Nutrition Assistance Program. WIC = Special Supplemental Nutrition Program for Women, Infants, and Children. Child Nutrition Programs = National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, Summer Food Service Program, related State administrative expenses, and other related child nutrition costs. P-EBT = Pandemic Electronic Benefit Transfer. All other programs = nutrition family assistance grants to Puerto Rico, the Northern Marianas, and American Samoa; Commodity Supplemental Food Program; the Food Distribution Program on Indian Reservations; the Nutrition Services Incentive Program; the Special Milk Program; Disaster Feeding; The Emergency Food Assistance Program; and nutrition programs administration.

Note: Figure based on preliminary data from the October 2022 *Program Information Report (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023 supplemented by additional information on Seamless Summer Option earnings and other child nutrition costs provided by USDA, FNS as of January 2023.

Source: USDA, Economic Research Service using USDA, FNS data.

How Was the Study Conducted?

This report uses preliminary data from USDA, Food and Nutrition Service to examine program trends through FY 2022, adjusting for inflation where appropriate to make historical comparisons. Data for FY 2021 and 2022 come from the September 2022 *Program Information Report (Keydata)* released in December 2022 and October 2022 *Keydata* released in January 2023, respectively. These data are supplemented by information on FY 2021 and 2022 Seamless Summer Option expenditures and other child nutrition costs provided by USDA, FNS in January 2023. This report also uses supplementary data to examine economic and social indicators.

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The Food and Nutrition Assistance Landscape: Fiscal Year 2022 Annual Report

Introduction

The U.S. Department of Agriculture (USDA) administers 15 domestic food and nutrition assistance programs, accounting for two-thirds of USDA's annual budget. Together, these programs—which vary by size, type of benefits provided, and target population—form a nutritional safety net for tens of millions of children and low-income adults. Over the course of a typical year, about one in four people in the United States participates in at least one of these programs. The Coronavirus (COVID-19) pandemic and its economic impacts led to millions more relying on these programs beginning midway through fiscal year (FY) 2020 (October 1, 2019–September 30, 2020) and continuing into FY 2022 (October 1, 2021–September 30, 2020). To meet continuing need in FY 2022, USDA expanded program benefits in several ways, extended waivers increasing the scope and coverage of existing programs, and continued to temporarily operate the Pandemic Electronic Benefit Transfer (P-EBT) program, which was created in the initial aftermath of the pandemic.

This report uses preliminary data (subject to change as data become final) from USDA, Food and Nutrition Service (FNS) to examine trends in USDA's largest food and nutrition assistance programs through FY 2022. Data for USDA, FNS programs in FY 2021 and FY 2022 are from the September 2022 *Program Information Report (Keydata)* released by USDA, FNS in December 2022 and the October 2022 *Keydata* released by USDA, FNS in January 2023, supplemented with additional data on Seamless Summer Option earnings and other child nutrition costs provided by FNS as of January 2023.

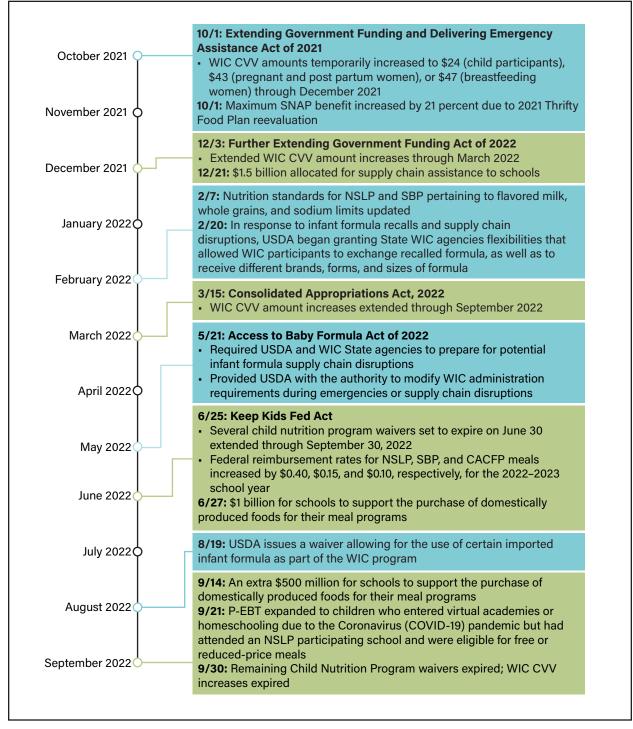
This report provides an overview of USDA programs and documents recent program policy changes. This report also examines trends in economic and social indicators that affect participation in and spending on food and nutrition assistance programs. It also summarizes two recent USDA, Economic Research Service (ERS) studies: a report that examines the prevalence of household food insecurity in the United States in 2021 and another report that examines changes in the USDA Foods in Schools Program in response to revised nutrition standards.

USDA Food and Nutrition Assistance Policy Developments

The Coronavirus (COVID-19) pandemic led to greater need for food assistance and disruptions to the normal operations of several food assistance programs. In response, the Federal Government passed several pieces of legislation in FY 2020 including the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act. These acts allowed USDA to increase benefits, expand the scope and coverage of existing programs through greater administrative flex-ibilities, and authorize two temporary programs: Pandemic Electronic Benefit Transfer (P-EBT)—which reimbursed eligible families for missed school meals due to COVID-19-related school closures—and the Farmers to Families Food Box Program —which purchased agricultural products for distribution to families in need. See *The Food and Nutrition Assistance Landscape: Fiscal Year 2020 Annual Report* (Toossi et al., 2020) for details.

Federal food and nutrition assistance policy continued to develop throughout FY 2021. Among other legislation and changes in policy, the Federal Government passed the Continuing Appropriations Act, 2021, and Other Extensions Act on October 1, 2020; the Consolidated Appropriations Act on January 1, 2021; and the American Rescue Plan Act on March 11, 2021. Supplemental Nutrition Assistance Program (SNAP) benefit levels and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Cash Value Voucher (CVV) benefits were temporarily increased, as were Federal reimbursements for meals served through the National School Lunch Program and School Breakfast Program's Seamless Summer Option. P-EBT benefits were also increased, and the program was expanded to cover children under age 6, additional U.S. territories, and the summer months. The Farmers to Families Food Box Program ended in May 2021. See *The Food and Nutrition Assistance Landscape: Fiscal Year 2021 Annual Report* (Jones et al., 2021) for details.

Policy changes continued into FY 2022, with passage of the Extending Government Funding and Delivering Emergency Assistance Act of 2021; Further Extending Government Funding Act of 2022; Consolidated Appropriations Act, 2022; Access to Baby Formula Act; and the Keep Kids Fed Act. Major policy changes included increases in the WIC CVV benefit, as well as the maximum SNAP benefit because of the 2021 Thrifty Food Plan reevaluation. P-EBT was expanded to cover more children and extra funding was allocated to support school meal programs. By the end of FY 2022, the temporary WIC CVV benefit increases had expired (but were extended again in FY 2023) and the child nutrition programs were required to operate under pre-pandemic Federal rules and guidelines.



WIC = Special Supplemental Nutrition Program for Women, Infants, and Children. CVV = Cash Value Voucher. SNAP = Supplemental Nutrition Assistance Program. NSLP = National School Lunch Program. SBP = School Breakfast Program. CACFP = Child and Adult Care Food Program. P-EBT = Pandemic Electronic Benefit Transfer.

Source: USDA, Economic Research Service using USDA, Food and Nutrition Service information.

Total Food and Nutrition Assistance Spending

Spending on Food and Nutrition Assistance Decreased After Peak in FY 2021

Federal spending for USDA's domestic food and nutrition assistance programs—including P-EBT—totaled \$183.0 billion in FY 2022, a decline in spending after record-high spending in FY 2021. Federal spending in FY 2022 was 0.2 percent lower than the nominal spending of \$183.3 billion in FY 2021 (table 1) and 6.0 percent lower than the inflation-adjusted spending of \$194.7 billion (adjusted to 2022 dollars using the Personal Consumption Expenditures price index from the U.S. Department of Commerce, Bureau of Economic Analysis) (figure 2). This figure was still 38.3 percent higher than the inflation-adjusted prepandemic high of \$132.3 billion set in FY 2013 (\$109.2 billion in nominal 2013 dollars).

Program		FY 2021	FY 2022	Percent change
SNAP	Average monthly participation (millions)	41.6	41.2	-0.8
	Average benefit per person (dollars per month)	217.61	230.88	6.1
	Total spending (billion dollars)	113.7	119.5	5.0
WIC	Average monthly participation (millions)	6.24	6.26	0.2
	Women	1.38	1.40	1.5
	Infants	1.46	1.43	-2.5
	Children	3.40	3.43	0.9
	Food cost per person (dollars per month)	35.58	47.72	34.1
	Total spending (billion dollars)	5.01	5.73	14.3
NSLP, SBP, CACFP, SFSP	Total meals served (billions)	8.4	9.4	11.6
	Total spending (billion dollars)	26.9	33.6	24.9
P-EBT	Total spending (billion dollars)	28.4	17.9	-36.9
Farmers to Families Food Box Program	Number of food boxes delivered (millions)	73.1	NA	NA
	Total spending (billion dollars)	3.0	NA	NA
All programs	Total spending (billion dollars)	183.3	183.0	-0.2

Table 1
USDA food and nutrition assistance at a glance, FY 2021 and FY 2022

FY = Fiscal year. SNAP = Supplemental Nutrition Assistance Program. WIC = Special Supplemental Nutrition Program for Women, Infants, and Children. NSLP = National School Lunch Program. SBP = Special Breakfast Program. CACFP = Child and Adult Care Food Program. SFSP = Summer Food Service Program. P-EBT = Pandemic Electronic Benefit Transfer. NA= not applicable; program not in operation in FY 2022.

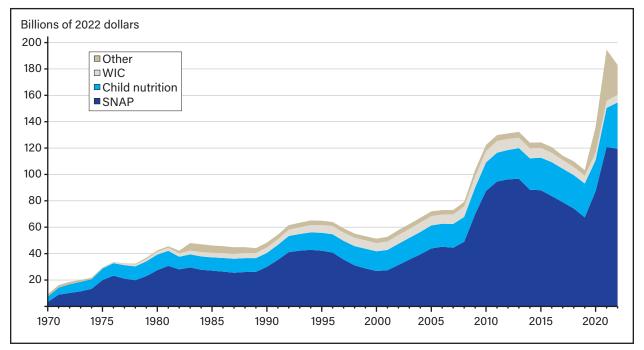
Note: FY 2022 information based on preliminary data from the October 2022 *Program Information Report (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023. FY 2021 information based on preliminary data from the September 2022 *Keydata* released by USDA, FNS in December 2022. FY 2022 and 2021 data supplemented by additional information on Seamless Summer Option earnings and other child nutrition costs provided by USDA, FNS as of January 2023. FY 2021 data for the Farmers to Families Food Box Program, which was allowed to expire in May 2021, provided by USDA, Agricultural Marketing Service (AMS) as of April 2022. Spending is in nominal terms and total spending in the last row includes the cost of programs not shown in the table. Average SNAP benefit per person is calculated as total annual benefits divided by average monthly participation, divided by 12. WIC food cost per person is calculated the same way.

Source: USDA, Economic Research Service using USDA, FNS data; and USDA, Agricultural Marketing Service data.

The largest food and nutrition assistance programs in FY 2022 included the Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), National School Lunch Program (NSLP), Special Breakfast Program (SBP), Child and Adult Care Food Program (CACFP), Summer Food Service Program (SFSP), and P-EBT. Together, these programs accounted for about 97 percent of USDA spending on domestic food and nutrition assistance. Spending on SNAP, the largest child nutrition programs, and WIC increased in FY 2022, but overall spending decreased, primarily driven by lower spending on P-EBT and the discontinuation of the Farmers to Families Food Box Program.

Figure 2 Inflation-adjusted USDA spending on food and nutrition assistance, FY 1970-2022

Spending fell in FY 2022, but remained higher than in pre-pandemic years



FY = Fiscal year. WIC = Special Supplemental Nutrition Program for Women, Infants, and Children. SNAP = Supplemental Nutrition Assistance Program. Child nutrition = National School Lunch Program, School Breakfast Program, Special Milk Program, related commodity costs, Child and Adult Care Food Program, and Summer Food Service Program.

Note: Figure based on historical program data released by USDA, Food and Nutrition Service (FNS) in January 2023 and total spending data from the October 2022 *Program Information Report (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023 and the September 2022 *Keydata* released by FNS in December 2022. Data are supplemented by additional information on Seamless Summer Option earnings and other child nutrition costs provided by USDA, FNS as of January 2023. Spending is noted in billions of 2022 dollars, adjusted using the Personal Consumption Expenditures price index, U.S. Department of Commerce, Bureau of Economic Analysis.

Source: USDA, Economic Research Service using USDA, FNS data; and USDA, Agricultural Marketing Service data.

Supplemental Nutrition Assistance Program (SNAP)

Spending Remained High Following Benefit Increases in FY 2020 and FY 2021

SNAP is USDA's largest food and nutrition assistance program, accounting for 65.3 percent of USDA food and nutrition assistance spending in FY 2022. Unlike other programs that target specific groups, SNAP is available to all households that meet the program's income and asset criteria, subject to certain work and immigration status requirements. Participating households receive monthly benefits that can be

used to purchase food items at authorized retailers via electronic benefit transfer (EBT). Benefits increase with household size and decrease with household income. Benefits cannot be spent on tobacco, alcohol, or nonfood items. Benefits also cannot be spent on hot or prepared foods, except in some areas under certain circumstances.

Beginning in FY 2020 and continuing through FY 2022, several program changes were mandated by law or allowed by USDA to help meet the increased need for food and nutrition assistance during the COVID-19 pandemic:

- Maximum benefit increase: The SNAP maximum benefit in each fiscal year is determined by the cost of USDA's Thrifty Food Plan (TFP) released the previous June. The Agriculture Improvement Act of 2018 directed USDA to review the TFP, and USDA released its reevaluation of the plan in August 2021. Based on data and evidence about changes in typical diets, dietary guidelines, nutrients in food, and food prices, the 2021 reevaluation relaxed the requirement from previous years that the plan update be cost neutral (USDA, 2021). The revision increased the cost of the 2021 TFP by 21 percent over the previous year, marking the first increase in the purchasing power of the plan (i.e., beyond regular adjustments for inflation) since its introduction in 1975. Accordingly, the maximum SNAP benefit increased by 21 percent beginning in FY 2022, replacing a temporary 15-percent maximum benefit increase that began in January 2021 and ended in September 2021.
- Emergency allotments: Beginning in FY 2020, USDA granted temporary waivers allowing States to issue emergency allotments to SNAP households not already receiving the maximum benefit, bringing their total SNAP monthly benefit to the maximum allowed for their household size. In April 2021, USDA updated guidance to provide a minimum monthly emergency allotment of \$95 to all recipient households, increasing the benefits of households previously receiving no emergency allotment or an emergency allotment of less than \$95. At the beginning of FY 2022, eight States had stopped issuing monthly emergency allotments—Arkansas, Florida, Idaho, Missouri, Montana, Nebraska, North Dakota, and South Dakota. By the end of FY 2022, nine more States no longer provided monthly emergency allotments—Alaska, Arizona, Georgia, Indiana, Iowa, Kentucky, Mississippi, Tennessee, and Wyoming.
- **Online purchasing:** The SNAP Online Purchasing Pilot allows households in participating States to purchase groceries online from authorized retailers with SNAP benefits. The pilot was rapidly expanded in FY 2020 and 2021 to additional States and grocery retailers. By the end of FY 2022, online purchasing with SNAP benefits at select retailers was available in Washington, DC and all States except Alaska.
- **ABAWD waivers:** Beginning in FY 2020, time limits on benefit receipt for able-bodied adults without dependents (ABAWDs) not meeting work requirements were suspended unless a State offered an ABAWD a position in a work or workfare program. This temporary suspension continued in all States through FY 2021 and FY 2022.
- Greater administrative flexibilities: To facilitate providing assistance, USDA continued to grant State agencies several temporary administrative flexibilities in FY 2022. These included adjustments to interview requirements, certification periods, reporting requirements, and recertification procedures.

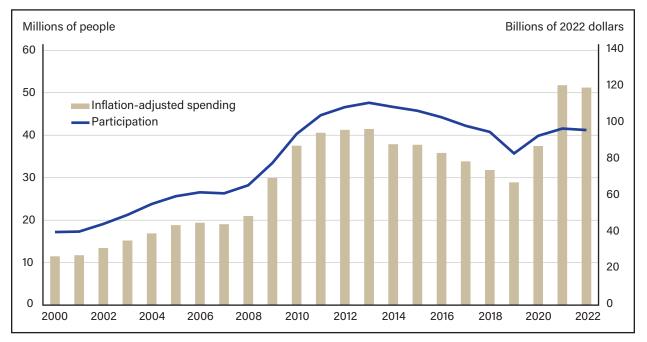
During FY 2022:

• SNAP participation averaged 41.2 million people per month, 0.8 percent lower than the previous fiscal year. This was the first decrease in participation since 2019 (figure 3).

- Federal spending on SNAP totaled \$119.5 billion, a 5.0-percent increase over the previous fiscal year. Of this amount, \$76.3 billion funded regular SNAP benefits, \$37.8 billion funded disaster supplements to ongoing SNAP recipients—almost all of which were emergency allotments—and the remaining \$5.3 billion funded the Federal share of administrative costs and other benefits and expenses. Although spending on SNAP was nominally higher in FY 2022 than in FY 2021, inflation-adjusted spending was 1.1 percent lower than the record high of \$120.8 billion set in FY 2021 (figure 3).
- SNAP benefits averaged \$230.88 per month per person, a 6.1-percent increase over FY 2021. Adjusting for inflation, average per-person benefits were slightly higher in FY 2021 at \$231.20 per month.
- Monthly benefits and participation varied throughout the year. Benefits rose following the benefit increase beginning in October 2021 (see box, *Supplemental Nutrition Assistance Program Participation and Benefits in FY 2021–22*).
- Approximately 12.4 percent of the U.S. population participated in SNAP in an average month (see box, *Share of U.S. Resident Population Participating in the Supplemental Nutrition Assistance Program*).

Figure 3

SNAP average monthly participation and inflation-adjusted annual program spending, FY 2000-22 *Participation and inflation-adjusted spending were slightly lower in FY 2022 than in FY 2021*



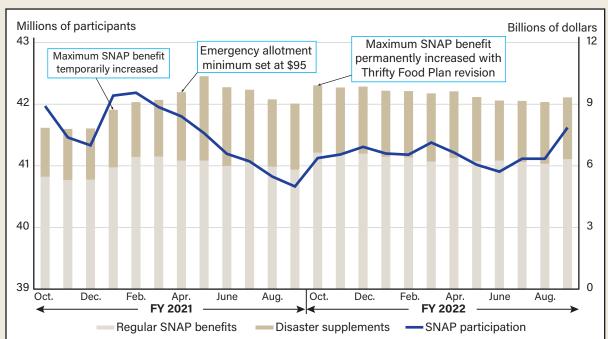
FY = Fiscal year. SNAP = Supplemental Nutrition Assistance Program.

Note: Figure based on preliminary data from the October 2022 *Program Information Report (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023 and the September 2022 *Keydata* released by USDA, FNS in December 2022. Spending is noted in billions of 2022 dollars, adjusted using the Personal Consumption Expenditures price index, U.S. Department of Commerce, Bureau of Economic Analysis.

Source: USDA, Economic Research Service using USDA, FNS data.

Supplemental Nutrition Assistance Program Participation and Benefits in FY 2021-22

While monthly SNAP participation increased throughout FY 2020 and fell throughout FY 2021, the overall trend in FY 2022 was flat at just above 41 million participants. At the beginning of FY 2022, a temporary increase in the maximum SNAP benefit in place since January 2021 ended, and a permanent increase due to the Thrifty Food Plan reevaluation replaced it. The maximum SNAP benefit increased from 15 percent over the cost of the June 2020 TFP to 21 percent. SNAP benefits—including only regular benefits and disaster supplements issued to ongoing recipients, with almost all the latter being emergency allotments—increased from \$9.0 billion in September 2021 to \$10.0 billion in October 2021. This was driven largely by an increase in regular benefits from \$5.8 billion in September to \$6.6 billion in October. Total benefits trended downward in the remainder of FY 2022 due to decreases in total regular benefits and emergency allotments (and other minor ongoing disaster supplements). By September 2022, regular ongoing benefits had fallen to \$6.3 billion, emergency allotments to \$3.0 billion, and total SNAP benefits to \$9.3 billion.



Monthly SNAP participation and benefits, FY 2021-22

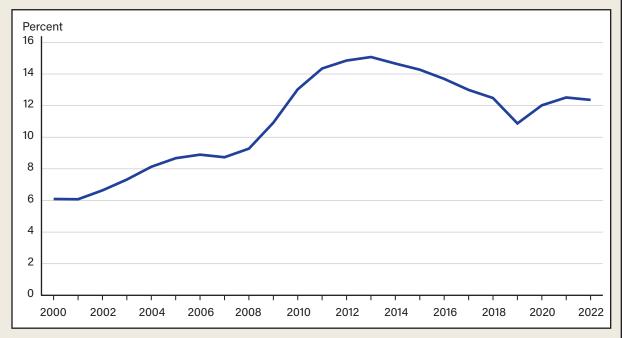
FY = Fiscal year. SNAP = Supplemental Nutrition Assistance Program.

Note: Figure based on preliminary data from the October 2022 *Program Information Report (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023 and the September 2022 *Keydata* released by USDA, FNS in December 2022. SNAP participation counts shown in this figure and discussed in this box include only regular ongoing SNAP participation. SNAP benefit totals include only regular ongoing benefits and disaster supplements issued to ongoing recipients. Emergency allotments made up almost all of the disaster supplements issued to ongoing SNAP recipient households during this time period. Spending is noted in billions of nominal dollars.

Source: USDA, Economic Research Service using USDA, FNS data.

Share of U.S. Resident Population Participating in the Supplemental Nutrition Assistance Program

From 2000 to 2007, between 6 percent and 9 percent of U.S. residents participated in SNAP in an average month. As economic conditions deteriorated during and immediately after the Great Recession—December 2007 to June 2009—the share of U.S. residents participating in SNAP rose, peaking in 2013 when over 15 percent participated. From 2014 to 2019, the SNAP participation rate steadily fell each year as economic conditions improved. Following the Coronavirus (COVID-19) recession in 2020, the share rose again. In fiscal year (FY) 2022, 12.4 percent of the population participated in SNAP on average each month, slightly down from 12.5 percent in FY 2021.



Average monthly share of U.S. population participating in SNAP, FY 2000-22

FY = Fiscal year. SNAP = Supplemental Nutrition Assistance Program.

Note: Figure based on preliminary data from the October 2022 *Program Information Report (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023 and the September 2022 *Keydata* released by USDA, FNS in December 2022.

Source: USDA, Economic Research Service using USDA, FNS data; and U.S. Department of Commerce, Bureau of the Census, U.S. resident population estimates data.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Participation Remained Similar to Prior Year

WIC helps safeguard the health of low-income pregnant and post partum women as well as infants and children up to 5 years of age who are at nutritional risk. It provides supplemental food packages, nutrition education, breastfeeding support, and health care referrals at no cost to participants. WIC food packages are tailored to each group and designed to meet the nutritional needs of participants. Participants receive an electronic benefit transfer (EBT) card to purchase foods in their food packages at authorized retailers. To be eligible, applicants must meet categorical, residential, income, and nutrition risk criteria. A person who participates or who has certain family members who participate in other benefit programs, such as SNAP, Medicaid, or Temporary Assistance for Needy Families, may automatically meet income eligibility requirements for WIC.

Beginning in FY 2020 and continuing through FY 2022, several program changes were mandated by law or allowed by USDA at the request of State agencies to help meet increased need for food and nutrition assistance during the pandemic:

- Eligibility criteria and recertification: USDA waivers continued to temporarily allow State agencies to conduct remote certifications for applicants and recertifications for WIC participants, to defer medical documentation requirements for applicants who were unable to obtain documentation from their medical provider, and to extend certification periods for certain WIC participants by up to 3 months.
- **Benefits issuance:** USDA waivers continued to temporarily allow State agencies to suspend requirements that participants scheduled for nutrition education or a recertification appointment pick up their food benefit in person. USDA waivers also allowed State agencies with offline EBT card-based issuance systems to extend the supply of benefits that WIC participants received at one time to a maximum of 4 months.
- Food package substitutions: To accommodate pandemic-related supply chain issues, USDA waivers continued to temporarily allow participants to substitute specific food items in their food packages. Examples include allowing for milk of any fat content and flexibility with package sizes (e.g., different sizes of whole grain breads, cheeses, and juices).
- **Greater administrative flexibilities:** USDA waivers continued to temporarily allow a single employee to both determine eligibility and issue food benefits for the same participant. USDA waivers also continued to allow State agencies to conduct local agency monitoring reviews remotely (e.g., by telephone or virtual platform).
- Increase in the amount of the Cash-Value Voucher (CVV) for fruit and vegetable purchases: In March 2021, WIC State agencies were given the option to increase the CVV for fruit and vegetable purchases from \$9 (adults) and \$11 (children) to an amount less than or equal to \$35 per participant through September 30, 2021. These benefit amounts were changed to \$24 for children, \$43 for pregnant and post partum women, and \$47 for breastfeeding women through FY 2022. (see box, *WIC Food Costs in FY 2022 and Increase in Cash-Value Voucher Amounts*).

Supply chain disruptions stemming from the pandemic intensified beginning on February 17, 2022, when Abbott, a major U.S. manufacturer of infant formula, announced a voluntary recall of powder formulas produced at one of its facilities, and the facility's temporary closure. The recall and closure were prompted by evidence of a bacteria at the facility that could be harmful to infants if present in formula. USDA responded by issuing additional waivers:

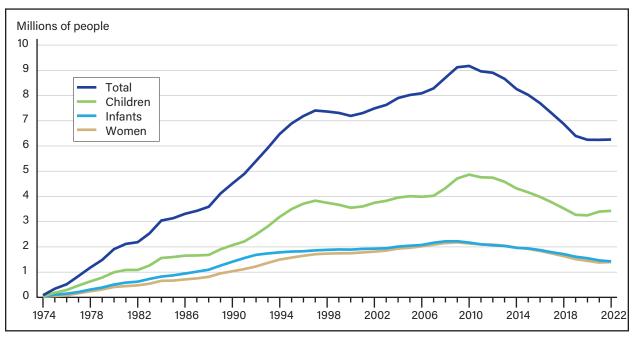
- **Infant formula substitutions:** In February 2022, after the recall, USDA began allowing WIC participants to exchange recalled formula, as well as to receive different brands, forms (e.g., powder or ready-to-feed), and sizes of infant formula than they typically would. USDA issued an additional waiver in August 2022 allowing WIC participants to receive certain imported infant formulas.
- **Infant formula supply chain precautions:** Federal legislation passed in May 2022 required USDA and WIC State agencies to prepare for potential infant formula supply chain disruptions. The legislation also provided USDA with the authority to modify WIC administration requirements during emergencies or supply chain disruptions.

During FY 2022:

- Participation in WIC averaged 6.3 million people per month, nearly the same as the previous fiscal year. Monthly participation was 31.8 percent below the historical high of 9.2 million set in FY 2010 (figure 4).
- Children 1–4 years of age made up more than half (54.8 percent) of all participants, whereas infants constituted 22.8 percent and women constituted 22.4 percent.
- Participation among women increased after declining the previous 12 fiscal years. The number of women participating in WIC increased by 1.5 percent. FY 2022 also marked the 13th consecutive fiscal year that participation fell among infants, and the second consecutive fiscal year that participation increased among children. The number of infants participating in WIC decreased by 2.5 percent from the previous fiscal year while the number of children increased by 0.9 percent (figure 4).
- Food costs per person averaged \$47.72 per month, a \$12.14 (34.1 percent) increase from the previous fiscal year. After adjusting for inflation, this was also the first increase in average per person food costs since 2011.
- Federal spending on WIC totaled \$5.7 billion, 14.3 percent more than the previous fiscal year but 36.2 percent lower than the inflation-adjusted historical high of \$9.0 billion set in FY 2011 (\$7.2 billion in nominal 2011 dollars).

Figure 4 Average monthly WIC participation by group, FY 1974-2022

Participation rose for women and children and fell for infants in FY 2022



FY = fiscal year. WIC = Special Supplemental Nutrition Program for Women, Infants, and Children.

Note: Figure based on preliminary data from the October 2022 *Program Information Report (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023 and the September 2022 *Keydata* released by USDA, FNS in December 2022.

Source: USDA, Economic Research Service using USDA, FNS data.

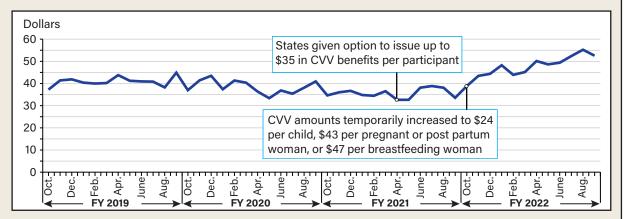
Monthly WIC Food Costs Per Person

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides nutritious, supplemental foods via food packages tailored to the nutritional needs of participants. Seven different food packages contain various combinations of foods high in beneficial nutrients for each participant category (pregnant, breastfeeding, and post partum women; infants; and children). Participants receive an electronic benefit transfer card to purchase these foods.

Most items in WIC food packages are redeemable for specified quantities—for example, 1 dozen eggs or 4 gallons of milk—and the amounts provided to recipients do not vary with household income. Since 2009, food packages have also included a Cash Value Voucher (CVV), which is a fixed-dollar-amount voucher that can be used to purchase a variety of fruits and vegetables of the participant's choosing.

Under the American Rescue Plan Act of 2021 passed in April 2021, WIC State agencies were given the option to temporarily increase the CVV for fruit and vegetable purchases from \$9 (adults) and \$11 (children) to an amount less than or equal to \$35 per participant for up to 4 months through September 30, 2021. All State agencies elected to increase the CVV to \$35. These increases expired on September 30, 2021. The Extending Government Funding and Delivering Emergency Assistance Act of 2021, passed on September 30, 2021, increased CVV amounts to \$24 for child participants, \$43 for pregnant and post-partum participants, and \$47 for breastfeeding participants beginning in October 2021. Other legislation passed in 2021 and 2022 extended these increases through September 2022—with another extension in fiscal year (FY) 2023.

Monthly spending on WIC food package redemptions is reported by USDA, Food and Nutrition Service as WIC food costs. Trends in average WIC food costs per participant contributed to the overall increase in WIC food costs in the final months of FY 2021 and throughout FY 2022. From May 2021 to August 2021, the monthly average WIC food cost per participant increased from about \$32.64 to \$38.09 before declining to \$33.56 in September 2021. Beginning in October 2021, the average food cost per participant began to rise again, peaking at \$55.23 in August 2022. The increase in WIC food costs in FY 2022 may have been due to the higher CVV amount, rising inflation, or both.



WIC food costs per person, FY 2019-22

FY = Fiscal year. WIC = Special Supplemental Nutrition Program for Women, Infants, and Children. CVV = Cash Value Voucher.

Note: Figure based on preliminary data from the October 2022, September 2022, September 2021, and September 2020 *Program Information Reports (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023, December 2022, December 2021, and January 2021, respectively. Spending is noted in billions of 2022 dollars.

Source: USDA, Economic Research Service using USDA, FNS data.

Child Nutrition Programs

Most Meals Were Once Again Served Through the National School Lunch Program and School Breakfast Program

In a typical year, the three largest USDA child nutrition programs are the National School Lunch Program (NSLP), the School Breakfast Program (SBP), and the Child and Adult Care Food Program (CACFP), while the Summer Food Service Program (SFSP) is much smaller.

NSLP and SBP provide nutritious meals and snacks at low or no cost to children in participating schools and childcare centers. Schools participating in the programs receive Federal subsidies for reimbursable meals served and some commodities (or cash in lieu of commodities) from USDA. In return, they must serve breakfasts and lunches that meet Federal nutrition requirements and offer free or reduced-price meals to qualifying students. All students can participate in these programs and meals are provided through a three-tiered system. Students from families with incomes at or below 130 percent of the Federal poverty level (FPL) are eligible for free meals, those from families with incomes between 130 and 185 percent of the FPL are eligible for reduced-price meals, and those from families with incomes over 185 percent of the FPL pay full price, although these meals are also subsidized to a small extent. Schools can also provide free meals to all students regardless of their household income through several provisions. Most notably, the Community Eligibility Provision (CEP) allows an individual school, groups of schools, or school districts in low-income areas to provide school meals at no charge to all students if at least 40 percent are directly certified or categorically eligible for a free lunch through participation in SNAP or other specific means-tested programs.

NSLP and SBP also have a Seamless Summer Option (SSO). This option allows schools participating in the former two programs—and other organizations (e.g., community centers, churches, and other public sites where children gather) sponsored by school food authorities (administrative units—typically school districts—that manage school meal programs)—to offer free meals to children when school is not in session (e.g., summer months or unanticipated school closures between October and April). Schools operating on a continuous year calendar may serve meals through SSO when school is out of session for 10 days or more. Schools and sponsored organizations may serve meals through the SSO in areas or sites where at least 50 percent of children qualify for free or reduced-price school meals.

SFSP, a distinct program from SSO, also provides free meals to children when school is not in session (e.g., summer months or unanticipated school closures between October and April) in areas or sites where at least 50 percent of children qualify for free or reduced-price school meals. However, differences exist between SFSP and SSO. Schools operating on a continuous year calendar may serve meals through SFSP when school is out of session for 15 days or more. SFSP also allows local government agencies, private non-profit organizations, faith-based organizations, and universities to serve as sponsors, in addition to school food authorities. The two programs are subject to different nutrition standards, meal service time requirements, monitoring requirements, and Federal reimbursement rates. Notably, in a typical year, SFSP meals are reimbursed at a higher rate than SSO meals, which are reimbursed at the lower NSLP and SBP rates (see box, *Take-Up of the Seamless Summer Option in Fiscal Year 2022*).

CACFP subsidizes healthy meals and snacks in participating childcare centers, daycare homes, and adult daycare facilities. The program primarily serves children and youth, as well as disabled or elderly adults in adult daycare facilities. All participating providers must be licensed or approved according to Federal, State, or local standards. Care providers are reimbursed for each type of qualifying meal they serve (breakfast, lunch, dinner, or snack). In addition to cash reimbursements, USDA makes donated foods, or cash in lieu of donated foods, available to institutions participating in CACFP.

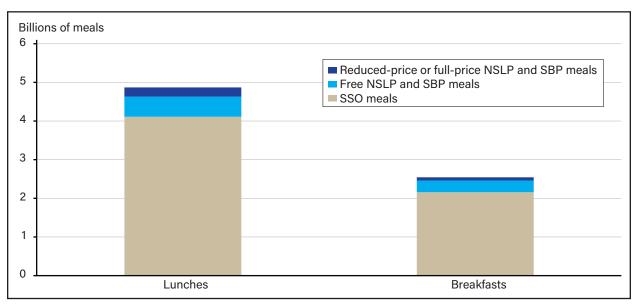
The COVID-19 pandemic continued to disrupt the normal provision of meals through these programs in FY 2022, forcing many schools and child and adult care centers to close or limit operations throughout the year. Changes to the child nutrition programs implemented in FY 2020 in response to these disruptions were extended through the end of FY 2022:

- **Changes to program rules:** USDA extended temporary waivers of Federal requirements pertaining to meal patterns, mealtimes, non-congregate feeding, parent or guardian meal pickup, wellness programs, after school activities, and "offer versus serve" guidelines allowing students to decline food items they do not intend to eat.
- Free meals: In the second half of FY 2020, meals were provided free of charge to children in all areas and regardless of income mostly through SFSP, which received a higher Federal reimbursement for each meal served than SSO. However, a waiver announced in April 2021 allowed schools to temporarily offer free meals through SSO in school year 2021–22 at the higher SFSP reimbursement rate. Beginning in July 2021, most schools transitioned to serving meals through SSO (see box, *Take-Up of the Seamless Summer Option in Fiscal Year 2022*).
- Change to Federal reimbursement rates: Beginning in July 2022, Federal reimbursement rates for meals served through NSLP, SBP, and CACFP were temporarily increased through the Keep Kids Fed Act (passed in June 2022) by \$0.40, \$0.15, and \$0.10, respectively.
- **Greater administrative flexibilities:** To allow schools and child and adult care centers to prioritize the service of safe, accessible meals during the pandemic, USDA continued to offer temporary extensions of existing waivers for a range of Federal reporting and onsite monitoring requirements. These included waivers for meal pattern and food service management requirements, among other changes.

During FY 2022:

- Total NSLP lunches served—including through SSO—amounted to 4.9 billion, 126.0 percent greater than in FY 2021. Of these lunches, 84.4 percent were served through SSO. Total SBP breakfasts served—including through SSO—amounted to 2.5 billion, 85.9 percent greater than in FY 2021. Of these breakfasts, 84.8 percent were served through SSO (figure 5).
- NSLP and SBP expenditures, including SSO, amounted to \$22.6 billion and \$6.4 billion, respectively. Combined, these expenditures were 133.2 percent greater than in FY 2021. This change was primarily driven by a transition from serving meals through SFSP to serving meals through SSO as a result of the increase in reimbursement rates for SSO meals, as well as higher reimbursement rates for non-SSO NSLP and SBP meals beginning in July 2022.
- Participation in and spending on SFSP decreased, reflecting the transition to SSO. Participation in SFSP was 2.7 million in July 2022 (the month when participation in the program typically peaks), 47.2 percent less than in July 2021 and about the same as in July 2019, before the pandemic. Throughout FY 2022, the program served 151 million meals at a cost of \$688.2 million. These figures were 95.1 percent and 93.6 percent lower, respectively, than the previous year.
- CACFP served 1.9 billion meals, almost the same as in FY 2021. Spending on the program was \$3.9 billion, 2.9 percent greater than in FY 2021. This increase was primarily due to the increase in Federal reimbursement rates for each meal served through the program beginning in July 2022.
- In total, 9.4 billion meals were served across all four programs, which was 11.6 percent greater than in FY 2021 and about the same as in FY 2019 before the pandemic. The increase may partially be due to many schools returning to inperson instruction in the 2021–22 school year. Total spending on the programs rose to \$33.6 billion, a 24.9-percent increase from the previous fiscal year. Adjusted for inflation, FY 2022 spending was 17.6 percent greater than FY 2021 (figure 6).

Figure 5 Total NSLP and SBP lunches and breakfasts served by type, FY 2022



FY = Fiscal year. NSLP = National School Lunch Program. SBP = School Breakfast Program. SSO = Seamless Summer Option.

Note: Figure based on preliminary data from the October 2022 *Program Information Report (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023, supplemented by additional information on Seamless Summer Option (SSO) earnings and child nutrition costs provided by USDA, FNS as of January 2023.

Source: USDA, Economic Research Service using USDA, FNS data.

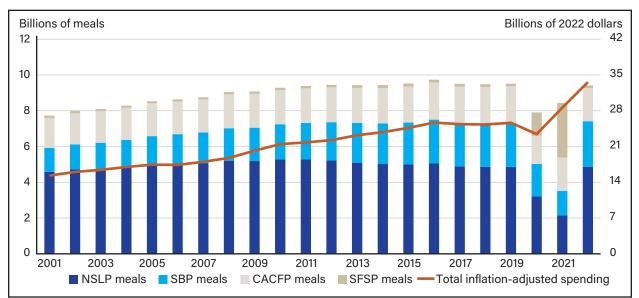


Figure 6 Total meals served and total inflation-adjusted spending across NSLP, SBP, CACFP, and SFSP, FY 2001–22

FY = fiscal year. NSLP = National School Lunch Program. SBP = School Breakfast Program. CACFP = Child and Adult Care Food Program. SFSP = Summer Food Service Program.

Note: Figure based on preliminary data from the October 2022 *Program Information Report (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023 and the September 2022 *Keydata* released by USDA, FNS in December 2022, supplemented by additional information on Seamless Summer Option (SSO) earnings and other child nutrition costs provided by USDA, FNS as of January 2023. Spending is noted in billions of 2022 dollars, adjusted using the Personal Consumption Expenditures price index, U.S. Department of Commerce, Bureau of Economic Analysis.

Source: USDA, Economic Research Service, using USDA, FNS data.

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Take-Up of the Seamless Summer Option in FY 2022

During the COVID-19 pandemic, Federal waivers allowed school food authorities (the administrative units—typically school districts—that manage school meal programs) to provide free meals to all children, regardless of income or location, year-round through either the Summer Food Service Program (SFSP) or the National School Lunch Program (NSLP) and School Breakfast Program's (SBP) Seamless Summer Option (SSO). Since meals served through SFSP receive higher Federal reimbursements compared with meals served through SSO, most schools opted to serve meals through SFSP. Consequently, more meals were served through SFSP through most of FY 2021 than through NSLP and SBP—including SSO—combined. This changed beginning in July 2021, when the Federal Government began reimbursing SSO meals at the higher SFSP rates.

	July 2	020	July 2	021
	Summer Food Service Program	Seamless Summer Option	Summer Food Service Program	Seamless Summer Option
Contiguous United States				
Breakfast	2.38	2.26	2.46	2.46
Lunch	4.15	3.75	4.32	4.32
Alaska				
Breakfast	3.85	3.64	3.99	3.99
Lunch	6.74	6.01	6.99	6.99
Hawaii				
Breakfast	2.77	2.64	2.88	2.88
Lunch	4.78	4.37	5.05	5.05

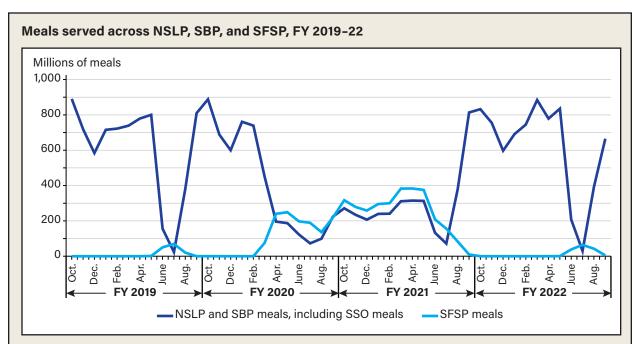
Maximum Federal reimbursement rates for breakfasts and lunches served through the Summer Food Service Program and Seamless Summer Option in July 2020 and July 2021

Note: Federal reimbursement rates for Summer Food Service Program (SFSP) meals vary by State, and by whether SFSP sites are in rural areas or are self-prep sites. Federal reimbursement rates for Seamless Summer Option (SSO) vary by State and by the fraction of needy children served by a school food authority. The table presents the maximum possible Federal reimbursement rates for each program. For SFSP, these maximum rates apply to meals served in rural or self-prep sites. For SSO, these maximum rates apply to meals served by school food authorities in which at least 60 percent of students are in need. All reimbursement rates are rounded to the nearest hundredth. Rates for July 2020 come from SFSP reimbursement rates published in December 2019 and the National School Lunch, Special Milk, and School Breakfast Programs reimbursement rates published in June 2020. Rates for July 2021 are from the SFSP reimbursement rates published by USDA, Food and Nutrition Assistance in December 2020.

Source: USDA, Economic Research Service using USDA, Food and Nutrition Service data.

In a survey of school food authorities conducted at the beginning of FY 2022, 89 percent reported serving meals through SSO during the November 8, 2021–December 13, 2021 period. Over the same period, 14 percent and 11 percent also reported serving meals through NSLP and SBP, respectively. Only 4 percent of SFAs reported serving meals through SFSP. As most schools transitioned to serving meals through SSO in the 2021–22 school year, the number of meals served through SFSP declined to pre-pandemic levels, while the number of NSLP and SBP meals—including those served through SSO—increased.

Source: USDA, Economic Research Service using results of the USDA, Food and Nutrition Service-Administered School Food Authority Survey on Supply Chain Disruptions.



FY = Fiscal year. NSLP = National School Lunch Program. SBP = School Breakfast Program. SSO = Seamless Summer Option. SFSP = Summer Food Service Program.

Note: Figure based on preliminary data from the October 2022, September 2022, September 2021, and September 2020 *Program Information Reports (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023, December 2022, December 2021, and January 2021, respectively. October 2022 and September 2022 *Keydata* supplemented by additional information on Seamless Summer Option (SSO) earnings and other child nutrition costs provided by USDA, FNS as of January 2023

Source: USDA, Economic Research Service using USDA, FNS data.

Pandemic Electronic Benefit Transfer (P-EBT)

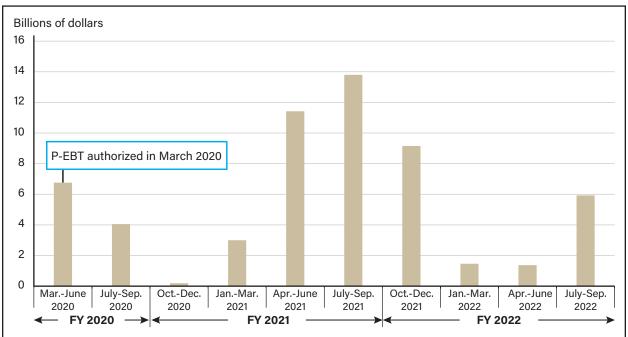
Spending on the Program Declined

The Families First Coronavirus Response Act provided States, Washington, DC, Guam, and the Virgin Islands the option of submitting requests to USDA for reimbursements to qualifying households for the value of school meals that were forgone due to COVID-19-related disruptions to in-person learning at schools through a temporary program called P-EBT. Initially, program eligibility was limited to households with children eligible for free or reduced-price school meals. In FY 2021, the program was extended to younger children not enrolled in school if they were living in households receiving SNAP benefits and in areas where schools were closed or operating with reduced hours or attendance, as well as children in the U.S. territories of Puerto Rico, Northern Mariana Islands, and American Samoa. In the same year, P-EBT benefits were expanded by 15 percent and the program was expanded to cover summer months when most schools are closed for instruction. In the last month of FY 2022, eligibility for the program was extended to cover children who entered virtual academies or homeschooling due to the pandemic but had attended an NSLP participating school and were eligible for free or reduced-price meals.

U.S. States, Washington, DC, and U.S. territories had to submit separate requests to USDA for approval to issue P-EBT benefits for the 2021–22 school year and the summer months of 2022. Requests to issue P-EBT benefits were approved by USDA throughout FY 2022. By the end of FY 2022, all States except for Alaska and South Dakota had been approved to issue P-EBT benefits for the 2021-22 school year. By the end of FY 2022, Washington, DC, American Samoa, and Puerto Rico had also been approved to issue those benefits

through that school year. All but Alaska, South Dakota, Guam, and the Northern Mariana Islands had been approved to issue summer P-EBT benefits. Depending on the State or territory, benefits were issued in a lump sum or in multiple payments. In cases where P-EBT benefits issuance requests were not submitted and approved until after the start of the 2021–22 school year or the summer months of 2022, benefits were issued for the period retroactively.

In FY 2022, States, Washington, DC, and territories reported issuing about \$17.9 billion in P-EBT benefits, 36.9 percent less than the \$28.4 billion reported as issued in FY 2021 (figure 7). Most of these benefits were issued in the first half of FY 2022.





P-EBT = Pandemic Electronic Benefit Transfer. FY = Fiscal year.

Note: Figure based on preliminary data from the October 2022, September 2022, and September 2021 *Program Information Reports* (*Keydata*) released by USDA, Food and Nutrition Service (FNS) in January 2023, December 2022, and December 2021, respectively. Reported spending on P-EBT includes the cost of P-EBT benefit issuance and other minor Supplemental Nutrition Assistance Program (SNAP) costs. Spending is noted in billions of nominal dollars.

Source: USDA, Economic Research Service using USDA, FNS data.

USDA, Economic Research Service Report Summary: Prevalence of Food Insecurity

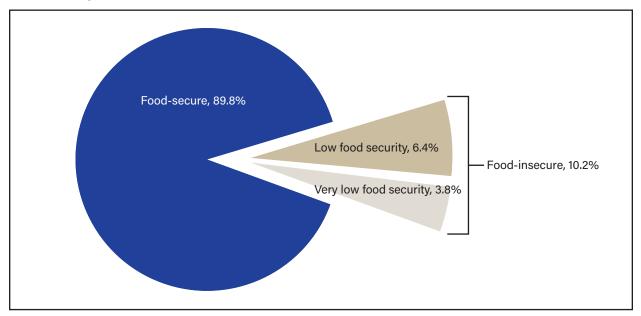
Households in the United States are categorized as food secure if all members have consistent and dependable access to enough food for an active, healthy lifestyle. Households are food insecure if, at times during the year, they struggled to afford adequate food for one or more household members. The latter are further classified as having either low food security or very low food security. In households with very low food security, the eating patterns of one or more household members are disrupted and their food intake reduced at some point during the year. USDA's food and nutrition assistance programs increase food security by providing low-income households with access to food, a healthful diet, and nutrition education.

USDA monitors household food insecurity in the United States through an annual nationally representative survey conducted in December, sponsored by USDA, ERS. A household's food security status is based on responses to a questionnaire about experiences and behaviors relating to food security in the prior 12 months, such as being unable to afford balanced meals or being hungry due to a lack of money for food. Results from the survey are published in annual USDA, ERS reports.

The most recent report examines data covering 30,343 sample households from the December 2021 survey and covers calendar year 2021. The report provides important context for understanding the role of food and nutrition assistance during the pandemic.

During 2021:

- An estimated 10.2 percent (13.5 million) of households were food insecure at least some time during 2021, down from a high of 14.9 percent in 2011 and not statistically different from 10.5 percent in 2020.
- A total of 3.8 percent of all households (5.1 million) had very low food security, not statistically different from 3.9 percent in 2020 (figure 8). On average, households classified as having very low food security experienced the condition in 7 months of the year, for 1 to 7 days of the month.
- Rates of food insecurity dropped for households with children under age 18 to 12.5 percent (4.6 million households) from 14.8 percent in 2020. In about half of food-insecure households with children, only adults were food insecure (6.3 percent of households with children); in the rest (6.2 percent of households with children), children were also food insecure. In 0.7 percent of households with children (274,000 households), food insecurity was so severe that caregivers reported that children were hungry, skipped a meal, or did not eat for a whole day at some point during the year because there was not enough money for food.
- Rates of food insecurity were higher than the national average for households with income near or below the Federal poverty level, households with children (especially those headed by single women or single men), adults living alone, and Black- and Hispanic-headed households.
- The typical food-secure household spent 16 percent more on food than the typical food-insecure household of the same size and composition.
- About 56 percent of food-insecure households participated in one or more of the three largest food and nutrition assistance programs—SNAP, WIC, and NSLP (receiving free or reduced-price lunch)—in the month before the survey.
- Although the overall prevalence of food insecurity remained unchanged in 2021 compared with 2020, rates of food insecurity declined across the 2 years for households with children and incomes below 185 percent of the Federal poverty level, as well as married-couple families and Black, non-Hispanic headed households. There were statistically significant increases in rates of food insecurity among women and elderly people living alone.



Source: USDA, Economic Research Service report by Coleman-Jensen, A., M.P. Rabbitt, C.A. Gregory, and A. Singh. 2022. *Household Food Security in the United States in 2021*, ERR-309, U.S. Department of Agriculture, Economic Research Service.

Table 2 U.S. food security at a glance, 2019–21

	2020		2021	
	Thousands	Percent	Thousands	Percent
All households	130,459	100.0	132,043	100.0
Food-secure households	116,705	89.5	118,533	89.8
Food-insecure households	13,754	10.5	13,510	10.2
With low food security	8,613	6.6	8,428	6.4
With very low food security	5,141	3.9	5,082	3.8
All households with children	37,903	100.0	36,765	100.0
Food-secure households	32,280	85.2	32,170	87.5
Food-insecure households	5,623	14.8	4,595	12.5
With food-insecure children	2,870	7.6	2,290	6.2
With very low food security among children	322	0.8	274	0.7

Source: USDA, Economic Research Service report by Coleman-Jensen, A., M.P. Rabbitt, C.A. Gregory, and A. Singh. 2022. *Household Food Security in the United States in 2021*, ERR-309, U.S. Department of Agriculture, Economic Research Service.

Economic and Social Indicators Related to Participation in Food and Nutrition Assistance Programs

Economic and demographic conditions, among other factors, affect participation in and spending on food and nutrition assistance programs by influencing the sizes of the eligible populations, the rates of participation, and benefit levels.

Since USDA's food and nutrition assistance programs are means-tested, the number of people eligible to participate in the programs is linked to the strength of the economy. In particular, SNAP caseloads and benefits are strongly associated with economic conditions. SNAP is one of the United States' primary countercyclical programs, expanding during economic downturns and contracting during periods of economic growth. The number of SNAP participants generally tracks the number of unemployed people and the number of people in poverty (figure 9). However, improvement in economic conditions during the early stages of recovery may take longer to be felt by low-wage workers who are more likely to receive SNAP benefits, which can result in a lagged reduction in SNAP participation relative to reductions in unemployment.

The U.S. labor market continued recovering in 2022, though high inflation persisted (table 3). For example:

- The number of employed persons increased by 5.7 million and the number of unemployed persons fell by 2.6 million.
- The national unemployment rate fell to 3.6 percent in 2022, the lowest rate since 1969.
- The labor force participation rate increased to 62.2 percent in 2022.

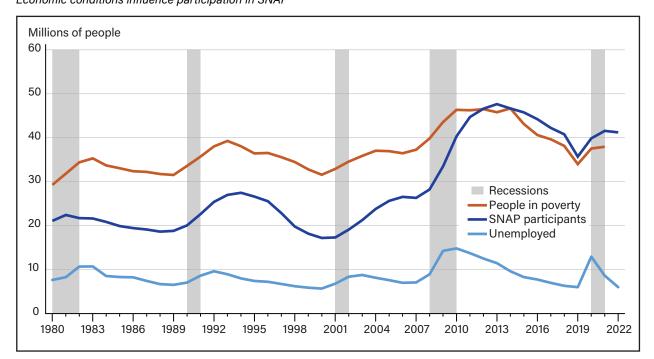
The cost of food and other goods increased in 2022:

- The Consumer Price Index (CPI)—an indicator used to measure inflation—for food rose by 9.9 percent. This was the largest change in the price of food since an 11.0 percent increase in 1979.
- The CPI for all items increased by 8.0 percent in 2022, reflecting generally high inflation during the year. This was the largest change in the CPI for all items since a 10.3 percent increase in 1981.

The latest income and poverty data from the U.S. Department of Commerce, Bureau of the Census indicate that in 2021:

- Median household income rose to \$70,784 but was not statistically different from the previous year after adjusting for inflation.
- There were 37.9 million people, including 11.1 million children, living in households with income below the poverty line. Overall, the poverty rate of 11.6 percent was not statistically different from 11.5 percent the previous year.

Figure 9 **Number of SNAP participants, unemployed, and people in poverty, 1980–2022** *Economic conditions influence participation in SNAP*



SNAP = Supplemental Nutrition Assistance Program.

Note: SNAP participation is based on preliminary data from the October 2022 *Program Information Report (Keydata)* released by USDA, Food and Nutrition Service (FNS) in January 2023 and the September 2022 *Keydata* released by USDA, FNS in December 2022. Grey vertical bars indicate years in which recessions occurred (January-July 1980; July 1981–November 1982; July 1990–March 1991; March–November 2001; December 2007–June 2009; and February–April 2020).

Source: USDA, Economic Research Service using USDA, FNS data; U.S. Department of Labor, U.S. Bureau of Labor Statistics data; and U.S. Department of Commerce, Bureau of the Census data.

Selected economic and demographic indicators, 2019–22					
Indicator	2019	2020	2021	2022	
Population in July (millions)	328.2	331.5	332.0	333.3	
Births (millions)	3.7	3.6	3.7	NA	
School enrollment (millions)*	56.3	55.4	56.0	55.7	
Prekindergarten-grade 8	39.6	38.6	39.0	38.6	
Grades 9–12	16.7	16.8	17.0	17.1	
Employed persons (millions)	157.5	147.8	152.6	158.3	
Unemployed persons (millions)	6.0	12.9	8.6	6.0	
Unemployment rate (percent)	3.7	8.1	5.3	3.6	
Labor force participation rate (percent)	63.1	61.8	61.7	62.2	
Persons in poverty (millions)	34.0	37.5	37.9	NA	
Poverty rate (percent)	10.5	11.5	11.6	NA	
Children in poverty (millions)	10.5	11.8	11.1	NA	
Poverty rate for children (percent)	14.4	16.0	15.3	NA	
Median household income (nominal dollars)	68,703	67,521	70,784	NA	
CPI for all items (annual percent change)	1.8	1.2	4.7	8.0	
CPI for food (annual percent change)	1.9	3.4	3.9	9.9	
CPI for food at home	0.9	3.5	3.5	11.4	
CPI for food away from home	3.1	3.4	4.5	7.7	

Table 3
Selected economic and demographic indicators, 2019-22

CPI = Consumer Price Index. NA = data not available.

Note: *School enrollment for 2021 and 2022 are projections.

Source: USDA, Economic Research Service using data from U.S. Department of Commerce, Bureau of the Census (population, poverty, and household income); National Center for Health Statistics (births); National Center for Education Statistics (school enrollment); and the U.S. Department of Labor, Bureau of Labor Statistics (employment, unemployment, labor force participation, and CPI).

USDA, Economic Research Service Research Update

USDA, Economic Research Service (ERS) staff conduct research related to domestic food and nutrition assistance. USDA, ERS also funds extramural research projects and partnerships. Together, these efforts have produced more than 1,100 peer-reviewed reports (searchable on the USDA, ERS website by title, author, year of publication, and topic area). Recently released USDA, ERS reports concerning food and nutrition assistance include:

- Trends in USDA Foods Ordered for Child Nutrition Programs Before and After Updated Nutrition Standards (summarized below): Examined changing food choices in the USDA Foods in Schools program in response to revised nutrition standards (Ollinger and Guthrie, 2022).
- Low-Income and Low-Foodstore-Access Census Tracts, 2015–19: Provided estimates of low-income and low-foodstore-access census tracts found in USDA, ERS's Food Access Research Atlas using updated data on foodstores, household vehicle access, and family income (Rhone et al., 2022).

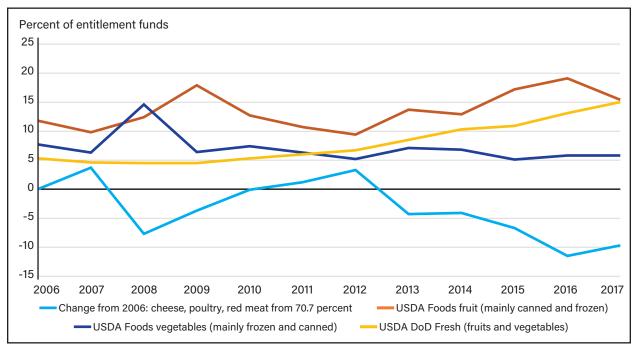
Report Summary: Trends in USDA Foods Ordered for Child Nutrition Programs Before and After Updated Nutrition Standards

USDA compensates schools for the cost of meals served in the National School Lunch Program (NSLP) via cash reimbursement as well as through direct provision of foods through the USDA Foods in Schools (USDA Foods) program. Through this program, USDA's Agricultural Marketing Service (AMS) uses entitlement funds granted to participating States to purchase foods directly from suppliers on behalf of schools. States also use USDA Foods entitlement funds to buy fresh fruits and vegetables through the USDA, Department of Defense Fresh Fruit and Vegetable Program (USDA DoD Fresh), which operates through a partnership between USDA and the DoD Defense Logistics Agency. In school year 2009–10, USDA Foods accounted for roughly 11 percent of the value of foods obtained by school meal programs. NSLP nutrition standards were updated in 2012, as required by the 2010 Healthy, Hunger-Free Kids Act. The updates required USDA school meals to include whole-grain-rich foods, more fruits and legumes, and a broader mix of vegetables.

USDA, ERS report, titled *Trends in USDA Foods Ordered for Child Nutrition Programs Before and After Updated Nutrition Standards*, examined changing food choices in the USDA Foods program in response to the 2012 change in nutrition standards. The study compiled data from USDA Budget Explanatory Notes for USDA, Food and Nutrition Service (FNS), which identified food obtained via USDA Foods from 2006 to 2017. The report categorized foods by type and quality, then summarized trends in foods obtained graphically and evaluated differences in the categories of foods obtained before and after the changes in nutrition standards.

The study found that after the nutrition standards updates, USDA Foods made more foods available to schools to support achieving the standards relating to dark green vegetables, whole grains, and products with reduced fat, sodium, and sugar (figure 10). The value of fresh fruits and vegetables ordered from USDA Foods and distributed by USDA DoD Fresh increased from 7 percent of all USDA Foods orders in 2012 to 15 percent in 2017. The value of fruits purchased by USDA, AMS rose from 9 percent of orders in 2012 to 15 percent in 2017. The value of meat, cheese, and poultry fell from 73 percent in 2012 to 61 percent in 2017. Overall, USDA Foods appears to have helped school food authorities meet school lunch fruit and vegetable standards, although uptake of whole-grain-rich items was low.

Figure 10 Percent of USDA Foods entitlement funds per food class, fiscal years 2006-17



USDA Foods = USDA Foods in Schools. USDA DoD Fresh = USDA, Department of Defense Fresh Fruit and Vegetable Program.

Note: Grains, legumes, staples, and other foods account for the residual amount, usually less than 10 percent of entitlement funds and are not included in the figure. Estimates are based on data from USDA Budget Explanatory Notes to the USDA Budget Summaries submitted during fiscal years 2008–2019.

Source: USDA, Economic Research Service report by Ollinger, M., and J. Guthrie. 2022. *Trends in USDA Foods Ordered for Child Nutrition Programs Before and After Updated Nutrition Standards*, EIB-239, U.S. Department of Agriculture, Economic Research Service.

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