



FROM POVERTY TO PROSPERITY

HOW SNAP BENEFITS IMPACT CHILD POVERTY AND WELL-BEING

By Emily Wildau, MPP
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 NEW MEXICO
VOICES
FOR CHILDREN

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Note: This is the third in a series of reports on how public benefits programs and tax credits improve poverty outcomes in New Mexico. The first part, “Understanding the Impact of Income Supports in the Data,” looks at how poverty is measured by the U.S. Census Bureau and which measurements take into account anti-poverty programs like tax credits. The second part, “How Tax Credits Impact Child Poverty and Well-Being,” specifically reviews how refundable tax credits are designed to improve the economic well-being of children and families.

Background on SNAP

The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, is the nation’s most important anti-hunger program, and provides nutritional support for working families and seniors earning low incomes. SNAP is a powerful anti-poverty tool. By providing resources for food, it frees up household resources for other basic needs like rent, utilities, or medical care.

SNAP began in 1939 as an effort to distribute excess farm commodities during the Great Depression to alleviate food insecurity and provide struggling farmers with greater income.¹ This first version of the program lasted for four years. The next variation, which was implemented in 1961 as a pilot, was made into a permanent entitlement program through the passage of the Food Stamp Act of 1964, which was a part of President Lyndon B. Johnson’s “War on Poverty.”² Since then, many revisions have been made to SNAP. The last federal updates to the program were passed in the 2018 Farm Bill, which was due for reauthorization in 2023. This deadline was extended to 2024,³ but as Congress has yet to reauthorize the Farm Bill, SNAP is currently funded under a short-term continuing resolution.⁴

SNAP is administered by the United States Department of Agriculture (USDA), but states are responsible for managing applications, certifying households, and issuing monthly benefits to participants’ Electronic Benefit Transfer (EBT) cards.⁵ SNAP eligibility is determined based on three criteria a household must meet: gross monthly income, net monthly income after certain deductions, and asset limits. While a federal baseline is set for these criteria, states have flexibility to adjust the limits for each.⁶ To make state programs as flexible and expansive as possible, 44 states including New Mexico have implemented broad-based categorical eligibility (BBCE).⁷



SNAP DEFINITIONS

- **Gross Monthly Income** - A household's total income before any deductions have been made; must fall below the federal limit for SNAP or by the state under BBCE⁸
- **Net Monthly Income** - A household's gross income minus allowable deductions; must equal 100% of the federal poverty level or lower for SNAP eligibility⁹
- **Deductions** - Allowable expenses subtracted from gross monthly income¹⁰
- **Assets** - Countable resources such as cash or money in a bank account up to \$3,000 per household or \$4,500 in households with at least one member who is elderly or disabled¹¹
- **Broad-Based Categorical Eligibility (BBCE)** - A policy set at the state level that allows households to become categorically eligible for SNAP because they qualify for a non-cash Temporary Assistance for Needy Families (TANF) funded benefit or another state program that meets TANF maintenance of effort requirements; allows states to raise the gross monthly income requirement and to remove the asset limit for BBCE-eligible households¹²

Impact of SNAP on Poverty

SNAP is the largest anti-hunger program in the nation, and by giving families financial assistance to purchase food and use their income for other basic needs, it effectively reduces poverty.¹³ Aside from refundable tax credits and Social Security, SNAP lifts the third highest number of children out of poverty annually, helping nearly 1.4 million children rise above the poverty level in 2023, according to the Supplemental Poverty Measure.¹⁴ In New Mexico, SNAP lifted an average of

60,000 people (including 25,000 children) above the poverty line per year between 2015 and 2019.¹⁵

SNAP IN NEW MEXICO

- 25% of the population receives SNAP, the highest rate in the nation.¹⁶
- 38% of SNAP recipients are children.¹⁷
- 62% of SNAP recipients are working.¹⁸
- For every \$1 of SNAP benefits spent, \$1.54 in economic activity is generated in state.¹⁹

Measuring Poverty

There are two primary ways poverty is measured. When policymakers and researchers want to better understand the impact income support programs and tax credits have on the resources a family has, the supplemental poverty measure (SPM) is used. For a more in-depth discussion on measuring poverty, please reference the first part of the *From Poverty to Prosperity* series, "Understanding the Impact of Income Supports in the Data."

Not only do SNAP benefits alleviate poverty by helping families afford groceries, but they also decrease health care costs, improve nutrition, and have a broader economic impact that lifts up communities and businesses.²⁰

Impact of SNAP on Health

Individual health is impacted by several socioeconomic factors, one of those being food insecurity. Food insecurity—when access to adequate food is limited by income—can affect one’s health in a number of ways, including budget constraints that limit the ability to purchase nutritious food, the prioritization of purchasing food over preventative health care or prescription refills, and as a factor in overall chronic stress due to anxiety associated with uncertain and intermittent meals.

Food insecurity is linked to several poor health outcomes as well. Among children, those include poor diet quality, the development of chronic health conditions like asthma and anemia, cognitive and behavioral problems, and anxiety and depression due to the lack of access to safe, nutritious food for normal growth and development.²⁰

SNAP benefits help reduce food insecurity by increasing a family’s ability to afford healthier foods. Access to healthier foods improves health outcomes, including lower risks of heart disease and obesity among adults who received SNAP as children, which in turn can help reduce health care costs over an individual’s lifespan.²¹ In addition to enabling families to access healthier diets, SNAP benefits also free up resources that can be used for other health-promoting activities and preventative care.

Impact of SNAP on Benefit Cliffs

A benefit cliff, often referred to as the cliff effect, refers to the sudden and typically unexpected loss of public benefits that can occur with a small increase in earnings.²² Benefit cliffs occur for most income support programs, and since they can occur for multiple support programs at once, this can be detrimental to families’ economic security.

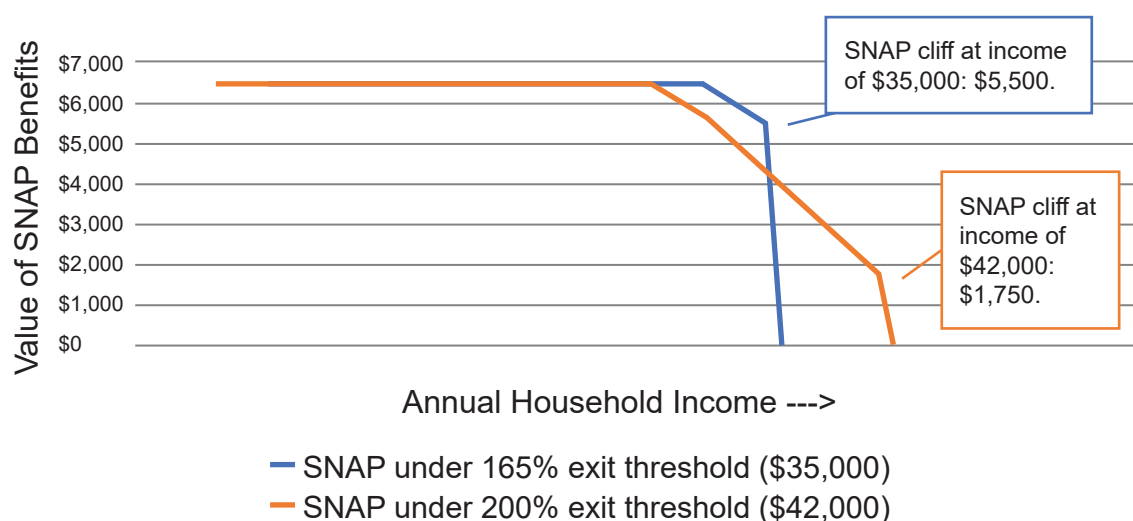
SNAP is especially effective at reducing poverty and improving long-term health outcomes because it is designed to phase out benefits more smoothly than many other income support programs. Generally, for every additional dollar a household earns in income beyond the gross income limit for eligibility, SNAP benefits are reduced by 24 to 36 cents until they reach zero benefits.²³ This structure typically means that if gross income eligibility is extended under BBCE, like it is in New Mexico, SNAP participants are less likely to see a significant benefit cliff for this program that would disincentivize work.

In Figure 1, the graph compares the SNAP exit threshold cliff in New Mexico at the gross income limit of 165% of FPL compared to the newly increased limit of 200% FPL. This clearly increases eligibility and softens the SNAP benefit cliff, so families can earn significantly more income while their benefit amount is gradually reduced until they become ineligible.

FIGURE 1

Increasing SNAP eligibility in New Mexico softened the benefit cliff

165% FPL vs. 200% FPL (scheduled to begin 10/1/24)



Source: Analysis from National Center for Children in Poverty, 2024



Recommendations to Provide Further Support

New Mexico has strengthened the impact SNAP has on poverty in the state, but there are still opportunities to improve the program's reach and ensure that all eligible New Mexicans receive these critical benefits.

First, New Mexico should pass legislation to **place the state's SNAP Outreach Plan in statute**. This will require the New Mexico Health Care Authority (HCA) to submit an annual SNAP Outreach Plan to the federal government, to seek federal funding to match charitable or other funds used for community outreach and enrollment of New Mexicans into SNAP. This will be important because it will allow non-profits working with the state of New Mexico to use the federal matching funds for food distribution to SNAP recipients.

Additionally, New Mexico should **streamline the SNAP application process** so eligible New Mexicans have lower barriers to benefits. The current system only provides online services for initial applications, but could be expanded to include a way for users to report income changes and renew benefits.

The state can also consider several opportunities to **continue softening the SNAP benefit cliff** and expand the program to reach more people in need of this support. For example, New Mexico could create a state-funded SNAP benefit for households that have recently lost eligibility after rising above 200% FPL, and provide a reduced and extended benefit for

several months to allow families to continue building assets during a transitional period.

To expand the reach of the program, the state could **treat child support payments as an income exclusion** rather than a deduction, which would lower a household's overall gross income and help more families qualify.

New Mexico should also **use state funds to provide SNAP to immigrant households with children** who are ineligible under federal regulations, and provide any protections and education possible to immigrant families who can receive SNAP but may fear repercussions due to the changing federal landscape.

At the federal level, Congressional Republicans are proposing harsh cuts to SNAP – as well as Medicaid and other programs – to pay for more tax giveaways to the nation's wealthiest as a part of the reconciliation process (as of April 2025). These cuts to SNAP will mean less food assistance for families and lead directly to higher costs for groceries, increased hunger, and significant harm for both local economies and state spending priorities over time. It is critical that advocates work to protect SNAP benefits and enact important reforms at the state level that can counter these federal attacks.



Conclusion

SNAP benefits are designed specifically to improve nutrition and alleviate food insecurity, and they also provide significant income support to many families. SNAP is one of the strongest anti-poverty programs and it supports economic security for families, especially if a state has adopted BBCE like New Mexico has. Continued investments into SNAP, as well as state-funded benefit supplements, will not only support healthier kids and families and lower rates of food insecurity, but will also continue to alleviate families' experience of poverty in the short term.



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