

Lost Dollars, Empty Plates

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Poverty, Food Insecurity, and CalFresh

California has the highest rate of poverty in the nation when accounting for expenses, such as cost of living, and safety net benefits (1). Across our state, 23 percent of households, including over one million households with children, are affected by food insecurity (2). Food insecurity, as defined by the United States Department of Agriculture (USDA), means having limited, uncertain, or inconsistent availability and access to the quality and quantity of food necessary to thrive (3).

The USDA's annual report on food security showed that in 2022, food insecurity disproportionately affected communities of color, families with children, and single-parent households (4). Systemic racism, discrimination and poverty, alongside other root causes of hunger make it difficult for communities to afford and access food, which makes programs like the Supplemental Nutrition Assistance Program (SNAP) all the more crucial.

SNAP helps to mitigate both poverty and food insecurity for many low income families and is one of the most effective safety net programs in the nation. Despite its importance, historically, California has ranked among the bottom five states when it comes to reaching eligible individuals through SNAP, or CalFresh as it's known in the golden state (5).

Why CalFresh Matters (6,7)



Reduces Poverty

CalFresh moves almost 700,000 Californians out of poverty annually, including 310,000+ children.



Protects Against Hunger

Nationwide, SNAP decreases food insecurity by up to 30%, and is even more effective for households with children.



Supports health & wellbeing

SNAP has shown to improve birth outcomes, ↓ medical costs, ↓ stress, and ↑ self-reports of "excellent" or "very good" health.

2.7 million

Californians are eligible, but not receiving CalFresh benefits



of SNAP/CalFresh benefits are spent within two weeks of being issued

every \$1 in federal SNAP/CalFresh expenditures generates

\$1.54

in economic activity

More than 5.1 million Californians rely on CalFresh to meet their basic food needs (8). As data from this analysis shows, an estimated **2.7 million Californians** are eligible for CalFresh but not receiving benefits.

Failing to connect individuals and families with CalFresh is a failure to safeguard the health and well-being of low-income Californians. The low reach of CalFresh also has substantial economic consequences for households and communities at large.

This Lost Dollars, Empty Plates analysis examines the effect that increased participation in CalFresh would have on state, local, and household budgets.

CalFresh's Boosts the State's Economic Activity

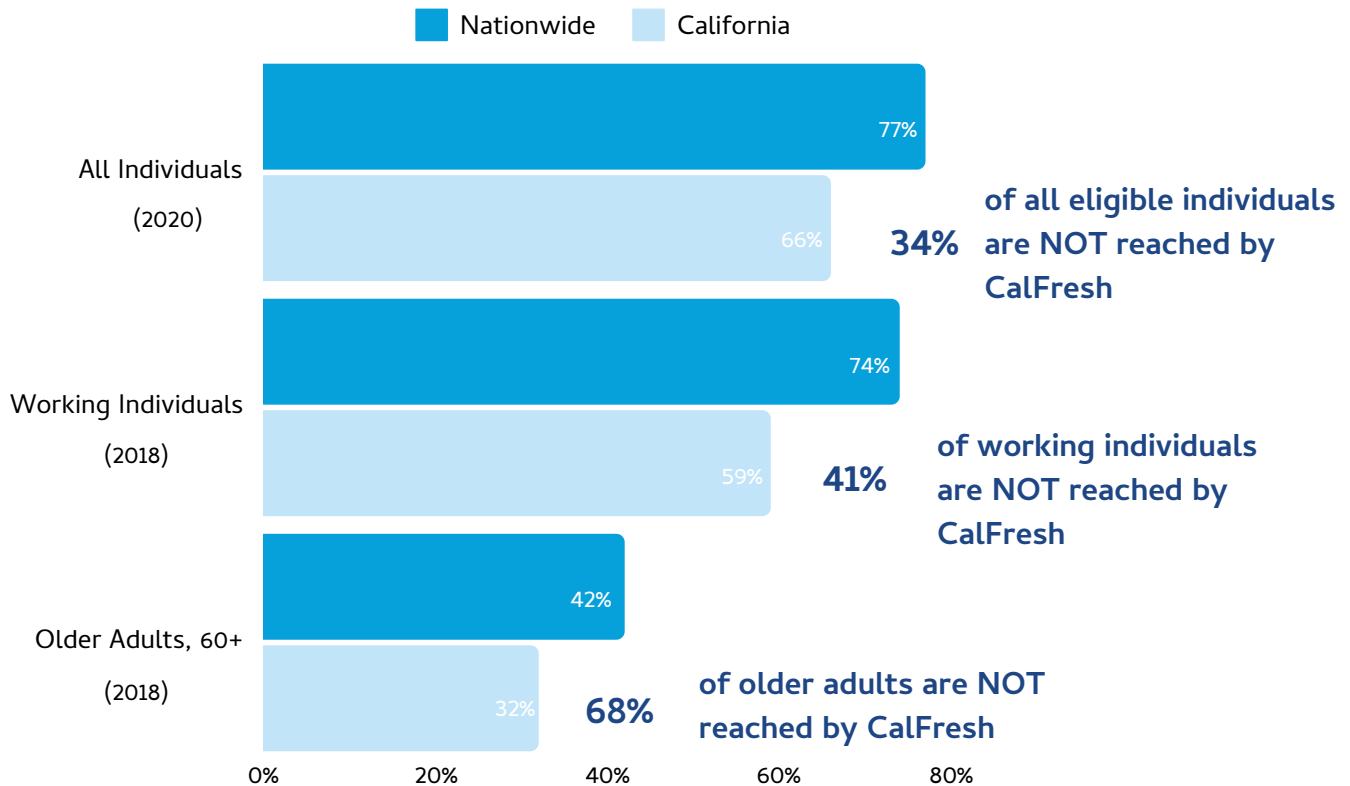
CalFresh benefits are fully funded by the federal government. By law, federal funding must be made available to provide all eligible applicants with benefits. CalFresh is intended to be responsive to changing needs (9). That is, when the number of eligible people grows, the amount of available funding increases – and when the number of eligible people shrinks, the amount of available funding decreases. This responsive funding makes CalFresh especially critical during major economic downturns like the COVID-19 pandemic – the benefits helped struggling households afford enough food while also providing economic stimulus (10). More eligible individuals that receive CalFresh means more federal dollars that are available for the state.

Research by the USDA shows that every dollar in federal SNAP/CalFresh expenditures generates \$1.54 in economic activity (11). Participants are likely to spend, not save, CalFresh benefits (12). Research shows that 80 percent of SNAP/CalFresh benefits are spent within two weeks of being issued (13). Once spent, these dollars circulate throughout the economy, triggering a ripple effect (14). SNAP benefits not only support a household's food purchasing needs, but also augment the incomes and spendings of farmers, retailers, food processors, and food distributors, which can help support local jobs and contribute to economic output.

CalFresh Fails to Reach Many Eligible Households

The most recent participation data from the US Department of Agriculture (USDA) shows that CalFresh misses more than **one in three eligible individuals** – and one third of eligible working low-income Californians (15). Among eligible older adults in California, more than three in five residents age 60 and up are not served by CalFresh (16).

Percent of Eligible Individuals Reached by CalFresh



The low reach of CalFresh among eligible individuals and families means less for all Californians – less food assistance for households with low income, and less economic activity for the state and local communities.

Adjusting for the 2021 Thrifty Food Plan update which increased the maximum monthly benefit amount by 21% (17), if CalFresh reached all eligible individuals, California would receive **\$3.5 billion in additional CalFresh dollars** from the federal government each year. Even if California were to only reach the national average participation rate of 77 percent, the state would receive **\$1.1 billion in additional CalFresh dollars**. Those benefits would greatly improve food security, increase the spending power of struggling Californians, and bolster state and local economies, **generating up to an additional \$5.1 billion in economic activity per year** (See Methodology section for details).

Lost Dollars, Empty Plates: State-by-State Comparisons

The table below shows how many more individuals would be reached by CalFresh, alongside estimates of the additional federal dollars that would be received if California matched the CalFresh participation rate of the following states, as measured by the Program Reach Index (PRI), a metric developed by the California State Department of Social Services (CDSS), the state administrators of CalFresh. The table also includes estimates of economic activity that would result from those additional federal dollars.

If California matched the participation rate of...	The number of additional participants reached would be...	The additional Federal Dollars California would receive through CalFresh would be... (b)	The Economic Activity resulting from additional Federal Benefits would be...
Oregon (100%)	2.66 million people	\$3.46 billion	\$5.33 billion
New York (82%) (a)	1.25 million people	\$1.63 billion	\$2.51 billion
National Average (77%)	860,000 people	\$1.12 billion	\$1.72 billion
Arizona (74%)	620,000 people	\$815 million	\$1.25 billion
Florida (73%)	550,000 people	\$713 million	\$1.09 billion

Rounding: Estimates at or above one billion are rounded to the nearest ten million. Estimates at or above 100 million are rounded to the nearest million. All other estimates are rounded to the nearest ten thousand.

(a) New York is frequently used as a reliable comparison to California because they both administer SNAP at the county level, include a large outlier county (i.e. New York City and Los Angeles), have a relatively high cost of living, and are immigrant-rich states.

(b) The estimate projects the impact of additional federal benefits accounting for the Thrifty Food Plan update, effective October 1, 2021, which increased CalFresh maximum benefits by 21%. See Methodology for details.

Reaching More Californians in Need

The following recommendations describe a vision and strategies for maximizing the positive impact of CalFresh.

Set Statewide Goals for CalFresh Participation and Support Continuous Improvement

- Set ambitious, but achievable, statewide participation goals and provide meaningful state oversight and accountability.
- Foster state-county partnerships to monitor progress and the effectiveness of improvements, and provide State support to underperforming counties.
- Require underperforming counties to adopt proven customer service improvement strategies and opt in to client-friendly functionality available through [CalSAWS and BenefitsCal](#), (e.g. *Interview Nudge, Click to Chat, Two-Way Messaging, etc*).

Improve Access Across the Enrollment Process

- Target improvements based on the user experiences of CalFresh applicants, participants, front-line eligibility workers, and application assisters.
- Ensure that all applicants can complete the CalFresh application without requiring an in-person visit to a county office or having a place to receive mail, by making phone, online, in-person, and mail applications available to all, regardless of their county of residence or lack of permanent address.

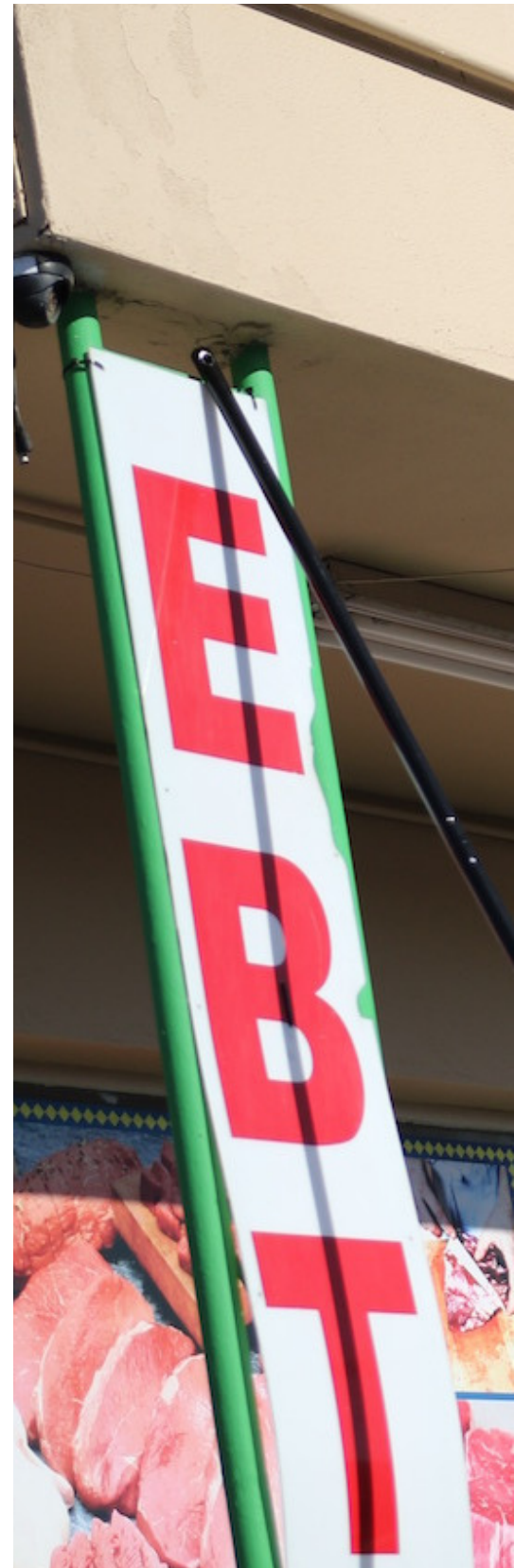


Reaching More Californians in Need (cont'd)

Meet the Needs of Specific Populations

- Improve access for older adults and people with disabilities by (a) automating the use of the new simplified application through the Elderly Simplified Application Project (ESAP) and (b) seeking additional authority to enroll households with children under ESAP.
- Improve access for those impacted by the legal system by allowing [pre-enrollment of incarcerated people in CalFresh](#).
- Improve access for people subject to the Able-Bodied Adults without Dependents time limit by maximizing the use of allowable exemptions.
- Ensure equitable language access. Translations of all CalFresh forms must be comprehensible to native speakers and colloquially relevant language access must be provided for all non-English speakers.
- Boost benefit allotments to increase the likelihood that households will apply for and receive adequate assistance.
 - Support the implementation and expansion of the CalFresh Minimum Benefit Pilot so no household receives less than \$50 per month in benefits.
 - Continue to invest in innovative programs that boost benefits, such as the [CalFresh Fruit & Vegetable EBT Project](#) and the [Safe Drinking Water Program](#).
- Invest in state-funded benefits CalFresh for Californians who are ineligible for federal CalFresh solely due to their immigration status. Support effective, community-tested messaging to reduce the fear and misinformation many immigrants feel when accessing public benefits. #Food4All

California should be a state where every individual is well nourished and thrives. To make this a reality, we must address persistent disparities that harm people across the state.



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Methodology

The following is a description of the data sources and calculations used to complete the Lost Dollars, Empty Plates analysis.

Statewide Analysis

Eligible Individuals Not Reached by CalFresh

The estimated number of eligible individuals not reached by CalFresh is calculated as follows.

Statewide Average Monthly CalFresh Participation for Fiscal Year (FY) 2022-23 ÷ Statewide Participation Rate for Federal FY 2020 = Statewide Estimated Number of Eligible Individuals

Statewide Estimated Number of Eligible Individuals - Statewide Average Monthly CalFresh Participation for FY 2022-23 = Statewide Estimated Number of Eligible Individual Not Reached by CalFresh

“Statewide Average Monthly CalFresh Participation for FY 2022-23” was calculated from CalFresh caseload data recorded in CDSS’ DFA 256 reports from July 2022 to June 2023 (18).

At the time of this publication, the statewide participation rate for federal FY 2020 was the most recent statewide SNAP/CalFresh participation rate released by USDA. For FY 2020, the report reflects the period between October 2019 to February 2020 due to COVID-era data limitations.

Additional Federal Benefits

To calculate the value of additional federal benefits that would be received through CalFresh if the program reached all eligible individuals, it is necessary to estimate the average monthly CalFresh benefit for eligible individuals. The average benefit that current non-participants would receive may be significantly different from the average benefit that current participants do receive. To account for the potential discrepancy, this analysis uses a national estimate of the average monthly CalFresh/SNAP benefits for eligible households in the 2019 fiscal year. “Eligible households” may or may not actually participate in CalFresh/SNAP. The estimate (\$157), which was calculated by Mathematica Policy Research, Inc. and provided directly to Nourish California, is lower than the USDA’s calculator of the actual, national average household benefit received by CalFresh/SNAP participants for the federal fiscal year 2018, 2019, and 2020 (19).

Estimated Household Benefit for Eligible Households ÷ Average Household Size = Estimated Monthly Benefit for Eligible Individuals

Average household size was calculated with data from the FY 2022-23 CDSS DFA 256 reports using the following calculation.

Statewide Total Individuals Receiving Federal Benefits in FY 2022-23 ÷ Statewide Total Number of Households Receiving Federal Benefits or Federal and State Benefits in FY 2022-23 = Statewide Average Household Size

Methodology (cont'd)

The value of additional federal benefits received annually if CalFresh reached 100 percent of eligible individuals was estimated with the following calculation.

Statewide Estimated Eligible Individuals Not Reached by CalFresh x Average Monthly Benefit for Eligible Individuals x 12 = Statewide Additional Federal Benefits Received Annually if California reached 100% participation

The statewide estimate projects the impact of additional federal benefits accounting for the Thrifty Food Plan update, which increased CalFresh maximum benefits by 21%. The predicted increase from the Thrifty Food Plan, effective October 1, 2021, is retroactively applied to the estimate based on the statewide participation rate from FY 2020.

Statewide Additional Federal Benefits Received Annually if California reached a 100% participation rate x 1.21 = Statewide Additional Federal Benefits Received Annually, adjusted for Thrifty Food Plan Update

State by State Comparison

The state-by-state comparison is conducted with various states' SNAP participation rates during federal FY 2020. The value of additional federal benefits received annually if California reached the participation rate of various states was estimated with the following calculation.

[(Statewide Estimated Number of Eligible Individuals x SNAP Participation Rate of Comparison State for Federal FY 2020) - Statewide Average Monthly CalFresh Participation for FY 2022-23] x Average Monthly Benefit for Eligible Individuals x 12 = Statewide Additional Federal Benefits Received Annually if California reached the participation rate of the comparison state

Statewide Additional Federal Benefits Received Annually if California reached the participation rate of the comparison state x 1.21 = Statewide Additional Federal Benefits Received Annually, adjusted for Thrifty Food Plan Update

Economic Activity

Every dollar in federal SNAP/CalFresh expenditures increases the gross domestic product by \$1.54 in a slowing economy. The estimated economic activity is calculated as follows.

Statewide Additional Federal Benefits Received Annually, adjusted for Thrifty Food Plan Update x 1.54 = Estimated Economic Impact from Additional Federal Benefits

Contact

For more information about this report or other aspects of Nourish California's work on CalFresh, please contact Jared Call at jared@nourishca.org or 323.401.4972.

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