MYTHS vs. REALITY: Income Tests for Food Stamps

MYTH

Adjusting income eligibility to the federal limit will lead to malnutrition.

REALITY

Income limits are unlikely to negatively impact nutrition for those no longer eligible.

According to the U.S. Department of Agriculture, food stamps have "little to no impact" on nutritional intake, although some evidence exists that those on food stamps have "significantly higher intakes of added sugar and added fat." As a result, the researchers concluded that there was "little evidence" that receiving food stamps had a positive impact on "overall dietary quality." More than two decades worth of research led by the U.S. Government Accountability Office (GAO) has also concluded that there is little to no evidence showing that food stamps "alleviates hunger and malnutrition." Individuals moved to independence are even less likely to face negative nutritional impacts as their incomes are significantly higher than other enrollees.

MYTH

Income limits will reduce access to free and reduced-price meals at school.

REALITY

This policy change will have little to no impact on access to school meals.

Children may receive free or reduced-price meals even if their families are not eligible for food stamps, as long as their income is below 185 percent of the federal poverty level. According to the U.S. Department of Agriculture, just 1 percent of individuals expected to leave food stamps are school-aged children from families earning more than 185 percent of the federal poverty level. More than 99.8 percent of children currently on food stamps would remain eligible for free or reduced-price meals at school if states realigned income eligibility with the federal standard.

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MYTH

Implementing federal income limits will increase administrative costs.

REALITY

There is no credible evidence administrative costs will increase.

In states that have made this commonsense policy change, additional verification costs are typically offset by lower caseloads. According to the U.S. Department of Agriculture, states with higher income limits have administrative costs between 20 percent and 40 percent higher per-person than without higher limits.

MYTH

Implementing federal income limits will increase payment error rates.

REALITY

Error rates are unlikely to increase.

According to the U.S. Department of Agriculture, states with higher income eligibility limits had an average payment error rate of 3.7 percent in 2014, but the error rate in states using the federal limit was just 3.5 percent. In states with no loopholes to increase income eligibility or waive asset testing, the error rate was even lower – just 2.4 percent.