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USA becomes Food Stamp Nation but is it sustainable?

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By [Kristina Cooke](#)

NEW YORK (Reuters) - Genna Saucedo supervises cashiers at a Wal-Mart in Pico Rivera, California, but her wages aren't enough to feed herself and her 12-year-old son.

Saucedo, who earns \$9.70 an hour for about 26 hours a week and lives with her mother, is one of the many Americans who survive because of government handouts in what has rapidly become a food stamp nation.

Altogether, there are now almost 46 million people in the United States on food stamps, roughly 15 percent of the population. That's an increase of 74 percent since 2007, just before the financial crisis and a deep recession led to mass job losses.

At the same time, the cost doubled to reach \$68 billion in 2010 -- more than a third of the amount the U.S. government received in corporate income tax last year -- which means the program has started to attract the attention of some Republican lawmakers looking for ways to cut the nation's budget deficit.

While there are clearly some cases of abuse by people who claim food stamps but don't really need them, for many Americans like Saucedo there is little current alternative if they are to put food on the table while paying rent and utility bills.

"It's kind of sad that even though I'm working that I need to have government assistance. I have asked them to please put me on full-time so I can have benefits," said the 32-year-old.

She's worked at Wal-Mart for nine months, and applied for food stamps as soon as her probation ended. She said plenty of her colleagues are in the same situation.

So are her customers. Bill Simon, head of Wal-Mart's U.S. operations, told a conference call last Tuesday that the company had seen an increase in the number of shoppers relying on government assistance for food.

About forty percent of food stamp recipients are, like Saucedo, in households in which at least one member of the family earns wages. Many more could be eligible: the government estimates one in three who could be on the program are not.

"If they're working, they often think they can't get help. But people can't support their families on \$10, \$11, \$12 an hour jobs, especially when you add transport, clothes, rent," said Carolyn McLaughlin, executive director of BronxWorks, a social services organization in New York.

The maximum amount a family of four can receive in food stamps is \$668 a month. They can only be used to buy food -- though not hot food -- and for plants and seeds to grow food.

Presidents Bill Clinton, George W. Bush and Barack Obama all made efforts to raise awareness about the program and remove the stigma associated with it.

In 2004, paper coupons were replaced with cards similar to debit cards onto which benefits can be loaded. In 2008 they were renamed Supplemental Nutritional Assistance Program (SNAP) benefits though most people still call them food stamps.

Despite the bipartisan support for the program in the past, some of the recent political rhetoric has food stamp advocates worried.

Presidential hopeful Newt Gingrich last year derided Democrats as "the party of food stamps". And Republican leaders in the House of Representatives propose changing the program so that the funding is through a "block grant" to the states, rather than allowing it to grow automatically when needed due to an emergency, such as a natural disaster or economic crisis.

In some parts of the country, shoppers using food stamps have almost become the norm. In May 2011, a third of all people in Alabama were on food stamps -- though part of that was because of emergency assistance after communities were destroyed by a series of destructive tornadoes. Washington D.C., Mississippi, New Mexico, Oregon and Tennessee all had about a fifth of their population on food stamps that month.

"Food stamps have traditionally been insulated from politics," said Parke Wilde, professor of U.S. food policy at Tufts University. "But as you look over the current fiscally conservative proposals, the question is, has something fundamentally changed?"

A LOW WAGE SUPPORT PROGRAM

Over the past 20 years, the characteristics of the program's recipients have changed. In 1989, a higher percentage were on benefits than working, but as of 2009 a higher percentage had earned income.



"SNAP is increasingly work support," said Ed Bolen, an analyst at the Center on Budget and Policy Priorities.

And that's only likely to get worse: So far in the recovery, jobs growth has been concentrated in lower-wage occupations, with minimal growth in middle-income wages as many higher-paid blue collar jobs have disappeared.

And 6 percent of the 72.9 million Americans paid by the hour received wages at or below the federal minimum wage of \$7.25 an hour in 2010. That's up from 4.9 percent in 2009, and 3 percent in 2002, according to government data.

Bolen said just based on income, minimum wage single parents are almost always eligible for food stamps.

"This becomes an implicit subsidy for low-wage jobs and in terms of incentives for higher wage job creation that really is not a good thing," said Arindrajit Dube, an economics professor at the University of Massachusetts Amherst, whose research shows raising the minimum wage would spur economic activity.

Until a couple of weeks ago Tashawna Green, 21, from Queens Village, New York, worked 25 hours a week at an \$8.08 hourly rate at retailer Target. She is on food stamps, and says a good number of her former colleagues are too.

"It's a good thing that the government helps, but if employers paid enough and gave enough hours, then we wouldn't need to be on food stamps," said Green, who has a six-year-old daughter.

Of course, with an unemployment rate over 9 percent, some argue that those with any job at all are lucky.

Millions of Americans whose unemployment benefits have expired have to exist only on food stamps and other government aid, such as Medicaid healthcare support. [nN1E7660K4]

And even with unemployment benefits, said Jessica King, 25, from Portland, Oregon, her family juggles bills to ensure the electricity stays on. They are also selling some belongings on Craigslist to raise funds.

King's husband Stephen, 30, an electronics assembly worker, lost his job two months ago when she was seven months pregnant with their second child. It was the third time he has been laid off since 2008.

She said she was reluctant, initially, to go on food stamps.

"I felt the way our national debt was going I didn't want to be part of the problem," said King, who used to work as a cook at a faith-based non-profit organization.

"But I didn't know what else to do and I got to a point where I swallowed my pride and decided to do what was best for my daughter."

(additional reporting by Jessica Wohl in Chicago, editing by Martin Howell in New York)

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