SNAP Decisions
Health Impact Assessment
Proposed Illinois Legislation to Eliminate Sugar-Sweetened-Beverages from the Supplemental Nutrition Assistance Program (SNAP)
Executive Summary
WHAT DID WE STUDY?

In Illinois and across the country, legislators and other policymakers have called for changes to the Supplemental Nutrition Assistance Program (SNAP) that would limit the use of SNAP for purchasing unhealthful foods and beverages. The U.S. Department of Agriculture (USDA) oversees the SNAP program and would have to grant a waiver in order for any jurisdiction to make changes to the eligible food and beverage products.

Bills have been proposed in Illinois in three consecutive legislative sessions - 2011, 2012, and 2013 - that would require the Illinois Department of Human Services to seek such a waiver from the USDA. None of the bills reached a vote, but the proposal continues to resurface every year. In two of those three years, the bills focused particularly on sugar-sweetened beverages (SSBs) as the category of products for which a waiver would be sought. In the 2012 bill, sugar-sweetened beverage is defined as “a liquid that contains more than 10 calories per fluid ounce, excluding fruit juices without added sugar, milk products and milk substitutes.” The sugar-sweetened beverage category is generally described as including carbonated soda, sports drinks, fruit-flavored drinks, energy drinks, and sweetened tea and coffee drinks.

Sponsors and supporters of proposed legislation in Illinois provide two primary rationales to eliminate SSBs from SNAP: (1) reduce obesity among low-income SNAP participants and maximize the nutritional benefit of SNAP by reducing the purchase of SSBs and (2) reduce taxpayer dollars spent on non-nutritious products. Due to time and resource limitations, the scope of this study focused only on the first of the above-mentioned rationales: whether or not the proposed ban would achieve the desired reduction in SSB consumption among SNAP participants. This study did not explore the implications of the proposed ban on the amount of taxpayer dollars spent on non-nutritious products.

The Illinois Public Health Institute received a grant from the Health Impact Project, a collaboration of the Robert Wood Johnson Foundation and The Pew Charitable Trusts, to conduct a Health Impact Assessment (HIA) in order to analyze the range of potential positive and negative impacts. The views expressed are those of the authors and do not necessarily reflect the views of the Health Impact Project, the Robert Wood Johnson Foundation or The Pew Charitable Trusts.

During the scoping phase of this Health Impact Assessment, we identified five main health impact pathways:

- Changes in diet and nutritional intake.

The USDA’s Food and Nutrition Service determines the types of foods that can and cannot be purchased with SNAP benefits. SNAP cannot be used to purchase: alcohol, nonfood items such as household supplies, vitamins and nutritional supplements, hot foods, or items intended to be eaten in the store. USDA states that ‘soft drinks, candy, cookies, snack crackers, and ice cream are food items and are therefore eligible items.’ Energy drinks are eligible if they contain a nutrition facts label; energy drinks categorized as “supplements” by the Food and Drug Administration (FDA) and that carry a supplement facts label are not eligible.
b) Changes in health – particularly obesity, chronic disease and oral health – associated with changes in diet.
c) Changes in food security and economic hardship associated with change in diet and changes in accessibility/availability of retailers and products.
d) Changes in stigma and stress.
e) Changes in health associated with budget impacts from administrative costs to the state.

Due to a lack of existing evidence and insufficient time and resources, pathway “e” fell outside the scope of this HIA.

Figure 1. SNAP SSB Restriction Health Pathways

The HIA will explore the following hypothetical pathways:

WHO WOULD BE AFFECTED BY THIS POLICY CHANGE?

The SNAP program is the largest food assistance program in the United States, with one in five households participating. A total of 46,782,084 people are participating in the SNAP program nationwide as of December 2013, including 2,016,940 in Illinois (15.6% of the state population). Therefore, any changes to SNAP have major implications because of the number of households that rely on SNAP. Children and adolescents are a very important segment of the SNAP population. SNAP has very wide reach with children and adolescents; half of all youth in the United States will have been enrolled in SNAP at some point between age 0 and 19.
As is true for many U.S. families, SNAP households rely on several sources of income. Of all participating households, 30% have earnings from a job, 21% receive Social Security and 7% receive unemployment insurance or workers compensation.3

### WHAT DID WE FIND?

The project explored these pathways with the guidance of an advisory committee comprised of a variety of stakeholders including health advocates, poverty and food security advocates, SNAP experts, researchers and state agency staff. The HIA was conducted according to standard HIA processes, and included a comprehensive literature review, focus groups with SNAP recipients, key informant interviews, and analysis of existing datasets. These various investigations produced the following key findings:

- Per-capita sugar consumption increased dramatically over the latter half of the 20th century

### Household Size and Benefit Information

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Maximum Gross Monthly Income (130% Federal Poverty Level)</th>
<th>Maximum Monthly Benefits</th>
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<tbody>
<tr>
<td>1</td>
<td>$1,211</td>
<td>$200</td>
</tr>
<tr>
<td>2</td>
<td>$1,640</td>
<td>$367</td>
</tr>
<tr>
<td>3</td>
<td>$2,069</td>
<td>$526</td>
</tr>
<tr>
<td>4</td>
<td>$2,498</td>
<td>$668</td>
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<tr>
<td>Each add’l member</td>
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<td>+ $429</td>
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Fig 2. SNAP Eligibility and Benefit Information (Oct 2012 - Sept 2013)  

![Number of SNAP Households with Earnings Has Risen Sharply](chart)

Source: CBPP Tabulations of SNAP Quality Control Household Characteristics data.

Source: Center on Budget and Policy Priorities
in the United States – Americans consumed an average of 43 pounds, or 39% more sugar per year in 2000 than they did on average between 1950 and 1959. 5

- Consuming more than recommended amounts of sugar has been shown to contribute to increased prevalence of diabetes, oral health problems, and obesity and thus obesity related health conditions such as heart disease, stroke and some cancers.

- More than half of all added sugars in the American diet are from SSBs.

Fig 3. Sources of added sugars in diet of U.S. population

Source: National Cancer Institute, based on NHANES 2005-2006 data

- Youth exposure to poor nutrition, both in terms of food insecurity and unhealthy eating, is associated with serious health risks throughout life related to cognitive and physical development, mental health, educational outcomes, obesity and related chronic conditions, and oral health. In Illinois, nearly half (46%) of SNAP participants are children, and 71% of all households using SNAP have at least one child under the age of 18. 6,7

- The cost of healthy foods and beverages, access to healthy food, and targeted marketing of unhealthy foods and beverages are substantial barriers to healthy eating for low-income households.

- There is inconsistent evidence on whether SNAP participants purchase or consume SSBs more frequently than the overall population. While the USDA cites research showing similar patterns of consumption across economic groups, more recent studies show that purchase and consumption of sugary drinks are higher in low-income populations than the population as a whole.
• Most SNAP households spend significantly less on SSBs than they spend out-of-pocket overall on food and beverages in a month. This suggests that if restrictions were in place, SNAP participants could shift from SNAP to cash out-of-pocket to purchase SSBs. Focus group participants also reinforced this finding suggesting that in general they thought that SNAP recipients would shift how they pay for SSBs, if the proposed ban were implemented. These substitutions would undermine the proposed policy’s goal of reducing SSB purchases to improve health.

Table 1. Descriptive statistics of sample (N=39,172 households; 150,694 observation months), % unless otherwise noted

<table>
<thead>
<tr>
<th>Household variables</th>
<th>Monthly M</th>
<th>WIC-only</th>
<th>SNAP</th>
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<tr>
<td>Spending ($)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Personal funds</td>
<td>114.39</td>
<td>60.05</td>
<td></td>
</tr>
<tr>
<td>WIC</td>
<td>11.79</td>
<td>15.26</td>
<td></td>
</tr>
<tr>
<td>SNAP</td>
<td>120.28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assistance (nonfood EBT)</td>
<td>0.71</td>
<td>4.61</td>
<td></td>
</tr>
<tr>
<td>Total grocery</td>
<td>126.90</td>
<td>200.20</td>
<td></td>
</tr>
<tr>
<td>Transactions using WIC, January-June 2011</td>
<td>26.2</td>
<td>32.4</td>
<td></td>
</tr>
<tr>
<td>Transactions using cash assistance, January-June 2011</td>
<td>0.6</td>
<td>8.2</td>
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• Both retailers and SNAP participants interviewed for this study cited consumer education and the cost of foods and beverages as barriers to healthier eating. Both groups were concerned about how to make healthy foods more affordable.

• There is a lack of knowledge among some consumers regarding the healthiness of various categories of SSBs. The SNAP participants who participated in the focus groups understood that soda is unhealthy. Many of those same individuals believed other drinks that have comparable amounts of added sugar such as fruit drinks, sports drinks, and energy drinks, were healthier than soda.

I buy healthy food, and trust me, it costs a heck of a lot more money than buying junk.
– Will County focus group participant

My daughter will not drink water and I am concerned she may get dehydrated if she doesn’t get to drink fruit drinks – they are better than soda.
– Jackson County focus group participant
Likewise, this holds true for parents in the general population, not just SNAP recipients. The Yale Rudd Center for Food Policy Sugary Drinks F.A.C.T.S. report found that, “parents believe that drinks like Capri Sun, Sunny D, Gatorade, and Vitamin Water are healthful products to serve their children.”

- Recently released guidance for SNAP-Ed (the SNAP nutrition education program) provides new opportunities to utilize SNAP-Ed dollars for education on the harms of SSBs, and for implementing broader initiatives to change consumption behaviors in communities; however, in January, 2013 funding for the program was cut by $110 million.

- Policies to eliminate SSBs from SNAP are more likely to improve nutritional intake and decrease SSB consumption if combined with incentives and a strong education component. While most SNAP participants in the focus groups were against restricting SSB purchases in SNAP, many were more open to the idea when paired with an incentive or bonus for not purchasing SSBs. This is similar to what was found in a survey conducted by Harvard University and the Center for Science in the Public Interest (CSPI).

### Harvard-CSPI Survey on SSB Ban in SNAP

<table>
<thead>
<tr>
<th>Q: Should food stamps not be allowed for buying sugary soft drinks?</th>
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<tbody>
<tr>
<td><strong>Total sample</strong></td>
</tr>
<tr>
<td><strong>SNAP user sample</strong></td>
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<tr>
<th>Q: Would you support a change in SNAP that would give participants the choice of either: (a) Continuing in the current program that allows food stamps to be used to buy soda OR (b) Participating in a revised program that would provide ADDITIONAL food stamps to recipients if they forgo soda purchases?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total sample</strong></td>
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<tr>
<td><strong>SNAP user sample</strong></td>
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- There is substantial evidence that stigma and negative perceptions of the SNAP program exist overall. There is little empirical evidence about whether an SSB restriction would create additional stigma-related health concerns or not.

- In general, the experience of stigmatization can have a profound, detrimental impact on both mental and physical health. Stigma has been demonstrated to lead to increased psychological distress, depression, and anxiety. These mental health conditions are often accompanied by physical comorbidities including diabetes and cardiovascular disease. Also, psychological distress is associated with a decrease in health-protective practices, leading to poorer health overall.

People should respect others and their business…but they do not. I hear rude comments at times. My pride kept me from applying for Link until my electric was cut off. I don’t care how others feel any more…it’s a benefit my family needs.

– Jackson County focus group participant
• The grocers interviewed for this HIA indicated that stigma has been reduced since the introduction of electronic benefit transfer (EBT) payment systems that make SNAP transactions appear similar to a debit or credit card transaction. The grocers expressed concern that an SSB restriction would create confusion at the cash register and undermine these gains.

One retailer expressed that an SSB restriction would result in “the customer seeing the retailer as the bad guy” because they have to enforce the restrictions.

WHAT DID WE CONCLUDE?

Based on the evidence we collected, and our findings from it, we came to the following conclusions:

• Reducing consumption of SSBs would have positive health effects, but lack of knowledge about the health risks associated with regular consumption of SSBs and the flexibility for SNAP recipients to shift payment for SSBs to cash suggest that a SSB restriction on its own might be ineffective.

• Given this, it is important to take a multi-pronged approach to improving nutrition in the SNAP program that includes education and incentives.

• To ensure nutritious food is affordable for low-income households in Illinois, SNAP benefits and the SNAP-Ed program must be funded at adequate levels.

• The indication that a ban may be ineffective at reducing SSB purchase and consumption patterns suggests an opportunity to test this strategy through a geographically small-scale pilot to determine its efficacy.

• Given the high consumption of SSBs across all population groups, implementing a policy that singles out one group of people, especially low-income people who already face significant hurdles to good health and well-being, raises significant equity concerns.

Policymakers, researchers and health advocates in Illinois have proposed other approaches to reducing the negative health impacts of SSBs that take a more universal approach (rather than focusing on a particular population, such as SNAP recipients). Although assessing these alternatives are beyond the scope of this HIA, it may be worth further exploration of the effectiveness of more universal alternative policies. One example of such an alternative is an excise tax strategy that creates a price disincentive for consumers at the point of purchase. A study in Illinois found that a state excise tax of 1 cent per ounce on SSBs would result in a 23.5% decrease in SSB consumption in Illinois, reduce health care costs by $180 million per year, and generate more than $600 million in new revenues.10
WHAT DO WE RECOMMEND?

The review of the evidence reveals a very complex set of issues related to a potential policy to restrict the use of SNAP for SSBs, including whether such a policy would be effective and concerns about singling out low-income people for a society-wide problem. These are contrasted by the clear health harms associated with SSB consumption, and the desire to identify policy approaches that can have a measurable effect on healthy nutrition in the SNAP population and the population as a whole. Clearly, there is no “silver bullet” that will solve all the issues related to obesity and malnutrition in the U.S. or the specific issues related to SSB consumption. Obesity and related chronic diseases are driving health care costs and impairing quality of life on an unprecedented scale. Simply exhorting people to eat right and exercise has proven inadequate to solve the problem. Effective policy levers need to be explored as part of the solution.

As a result of these findings and conclusions, the SNAP Decisions Health Impact Assessment proposes the following approaches to address that complexity in a way that maximizes health improvement and minimizes health risks of SSBs through the SNAP program.

<table>
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<th>Policy Recommendations</th>
<th>Policy/Decision maker</th>
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<tr>
<td>1. Rather than seek a waiver for restricting SSBs in SNAP as a standalone approach, if policy makers want to address SSBs in SNAP, our evidence suggests that a more effective approach would be to combine restrictions with incentives and education. This could be tested through a comprehensive, geographically-small pilot initiative to improve nutrition in the SNAP program and reduce consumption of SSBs among SNAP participants that:</td>
<td>Illinois General Assembly; Illinois Department of Human Services; Illinois Department of Public Health; USDA</td>
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<td>• Offers SNAP participants a choice of two programs: a) the current program that allows the purchase of SSBs; or b) a pilot program that does not allow purchase of SSBs and provides additional SNAP funds as an incentive for participation;</td>
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<td>• Strengthens and expands SNAP-Ed, with an emphasis on implementing new guidance on providing information that SSBs, including fruit-flavored drinks, are not healthy;</td>
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<td>• Leverages new SNAP-Ed guidelines to implement community-wide public health messaging strategies that convey the negative health effects of SSBs;</td>
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| • Improves access to healthy foods among retailers who accept SNAP, especially in communities with many convenience stores and limited access to full-service grocery stores;  
• Evaluates the initiative, with a strong focus on understanding the health impacts of the whole program, as well as discrete components of the pilot; and  
• Measures the administrative costs to the state and retailers to understand whether the proposed changes to SNAP would negatively impact program resources or retailer participation rates. |   |   |
| 2. Engage SNAP participants in designing policies intended to improve the nutritional aspects of the SNAP program. | Illinois Department of Human Services; USDA; all stakeholders |   |
| 3. Increase outreach and education about the health effects of drinking SSBs and what qualifies as an SSB (our focus groups revealed a particular need for education about fruit drinks and sport drinks). This education is needed across the board at all income levels.  
• Implement comprehensive community-based environmental change strategies for obesity prevention that are encouraged under SNAP-Ed as of FY2013. | USDA; Illinois Department of Human Services; Illinois Department of Public Health |   |
| 4. Since the negative health impact of consuming of SSBs is high for the general population, not just SNAP recipients, assess whether or not there are alternative, more effective policies that take a universal approach to addressing the negative health effects of SSBs, such as an excise tax on SSBs, which economic modeling predicts will significantly reduce SSB consumption, obesity, diabetes, and health care costs in Illinois. | Illinois General Assembly; Governor; local municipal leaders |   |
| Research Recommendations |   |   |
| 5. Data about the types and quantities of foods and beverages purchased with SNAP should be collected on an ongoing basis by the USDA and then made available to researchers. | USDA |   |
As the HIA advisory committee considered the above recommendations, members also discussed implementation considerations and the broader context for these recommendations. The following are some considerations related to the HIA policy and research recommendations on SNAP and SSB consumption:

- All pilot initiatives should be focused on evaluating the range of health and administrative impacts in order to determine how the policy can be implemented in a way that maximizes positive health impacts and minimizes negative health impacts.
- The government must be responsible for giving definitive guidelines on what products are considered to be sugar-sweetened beverages (SSBs). Retailers are not in a position to make these determinations.
- Researchers must be aware of how their findings will be interpreted and perhaps used by others in the broader context of public policy discussions related to SNAP.
- In order for policy interventions to be successful in maximizing positive health impacts for SNAP participants, policies and initiatives that address the broader food environment related to access, cost, education and marketing are also critical, as these are very significant influencers of purchasing and consumption behaviors.

| 6. Groups with expertise on public sector budgeting should analyze the implications of this policy for program administration costs, with a particular focus on how the changes might affect SNAP benefit amounts, retailer participation rates, or other programs that serve low-income households. | Illinois Department of Human Services; Governor’s Office of Management and Budget; academic researchers |

| 7. Fund further investigation of the stigma and stress that SNAP participants face as changes are made to the program. Work to ensure that gains made in decreasing stigma with Electronic Benefit Transfers are not undermined. | USDA; foundations |
FINAL THOUGHTS

The question of the appropriateness of restricting the purchase of sugar-sweetened beverages in the SNAP program is one that engenders passionate, and sometimes polarizing, discussion and attention.

For example, in June 2013, eighteen mayors wrote to Speaker Boehner and Minority Leader Pelosi about maintaining funding levels for SNAP. The letter also suggested that Congress consider “testing and evaluating approaches limiting SNAP’s subsidization of products, such as SSBs, that are contributing to obesity” and creating incentives for healthful eating. And yet, despite the letter’s primary focus on funding levels, a majority of media coverage focused on the single sentence about testing SSB restrictions. In many cases the coverage mischaracterized this statement as a call for an all-out SSB ban, rather than the more nuanced suggestion about testing and evaluating restrictions.

Likewise a variety of interest groups and advocates have established strong positions on the subject. Some health advocates are passionate about the dangers of SSBs, and the need to ban SSB purchases from SNAP as a public health measure. On the other hand, food security and poverty advocates vociferously assert that in an equitable society, low-income people should have the same choices as anyone else. Further, health advocates and researchers identify many other policy, price, advertising, marketing, and environmental factors that are driving what people, including those on SNAP, purchase and consume. Finally, retailers are concerned about adding burdensome new requirements for what is now a simple and straightforward program – if it’s (not-prepared) food, it’s eligible.

This HIA explored a range of potential beneficial and harmful health effects that might stem from each of these concerns, and found that the question is really quite complex. The project explored a range of issues, including the demonstrated health harms of SSBs, the potential stigmatizing effect of an SSB restriction, and the possibility that food access would be reduced if retailers were faced with a more complex program. The project also considered whether the proposed restriction would have the desired effect of reducing consumption of SSBs.

In the end, the answer to this last question was of critical importance for predicting health impacts. The assessment found that a restriction would likely have limited impact on SSB purchase and consumption among SNAP recipients, because they spend both SNAP and out-of-pocket cash on groceries and would likely substitute cash for SNAP in order to purchase their beverages of choice. Given this, combined with the finding that there is limited understanding about the health harms of SSBs, the HIA recommends that if any restrictions are considered, they be small pilots that are paired with incentives, include a component of choice for participants, and be accompanied by strong educational messages and evaluation. Further, the HIA found that overconsumption of SSBs is not limited to people on SNAP, but is a society-wide problem that likely demands a more universal approach to curbing consumption, such as an SSB excise tax.

By considering the range of potential health harms and benefits, the HIA aims to illuminate the nuances of this issue for Illinois legislators, other policy-makers, and the general public. We hope we have succeeded.
REFERENCES


