# Impact of Proposed Federal SNAP Cuts in North Carolina

The Supplemental Nutrition Assistance Program (SNAP), also known as Food and Nutrition Services (FNS) in North Carolina, provides critical food benefits to help more than 1.4 million low-income children, older adults, people with disabilities, and working North Carolinians afford nutritious food. The federal government covers the full cost of SNAP food benefits, and half the share of administrative costs for the program. SNAP is a lean program, with benefits averaging about \$5.70 per person per day.

### **SNAP Provides Critical Food Benefits** to 1 in 8 North Carolinians

- More than a million North Carolinians are food insecure, including one in six children. Over 1.4 million North Carolinians (13% of the state's population) rely on SNAP to meet the growing cost of food.
- Four in five families participating in SNAP in NC have either a child, a senior, or an adult with a disability. More than 66% of participating families have <u>children</u> and more than 34% of participating families include <u>seniors or adults</u> with disabilities.
- Between 2019-2023, an average of 80% of SNAP households in NC included someone who was working. SNAP already has work requirements for people between the ages of 16 to 59.
- More than 46,000 North Carolina <u>veterans</u> benefit from SNAP.
- One in 6 North Carolinians living in rural areas or small towns benefited from SNAP, <u>compared</u> to 1 in 9 North Carolinians living in metro areas.

#### **SNAP Helps Families**

- Research shows that SNAP improves health outcomes, reduces childhood poverty, and decreases health care costs. A recent North Carolina study showed that older adults' participation in SNAP was associated with fewer hospital and long-term care admissions and emergency department visits, and an estimated Medicaid cost-savings of \$2,360 per person annually.
- Each dollar in support for paying for groceries frees up household resources for other essential needs like rent, utilities, or medicine. Evidence shows people are more likely to take their medication when they have SNAP because they are more financially stable and have to make fewer tradeoffs between paying for food or medication.
- Being eligible for SNAP makes it easier for families with children to access other food benefits.
   School-age children receiving SNAP are automatically eligible for free school breakfast and lunch during the school year and for food benefits during the summer. SNAP eligibility makes it easier for families with women, infants, and children to show they meet WIC's income requirements and to ultimately qualify for the WIC program.

#### **SNAP Supports NC Farms, Food Banks, and Grocery Stores**

- SNAP has a multiplier effect: every \$1 invested in SNAP benefits generates between \$1.50 and \$1.80 for local economies. SNAP cuts would mean people have less to spend at NC's 9,200 SNAP retailers, which would hurt farmers, the larger food distribution pipeline, and local economies overall, especially in rural areas and small towns.
- Most SNAP benefits (84%) are spent at <u>supermarkets and superstores</u> in NC. <u>11 rural NC counties</u> have only one supermarket or superstore that accepts SNAP and 19 counties have two or fewer. These stores are often the only full-service food options in rural and low-income areas, and often serve a high proportion of customers using SNAP benefits to help pay for food. SNAP cuts put more pressure on these stores, making it harder for these stores to maintain jobs, keep their doors open, and continue being a reliable source of food and employment in their communities.

- According to the <u>National Grocers Association</u>, SNAP was responsible for 7,772 jobs across grocery and supporting industries, including agriculture, manufacturing, transportation and municipal services, generating more than \$218.1 million in wages and driving total output (total sales revenue minus its cost of goods sold) of \$522.3 million across grocery and supporting industries.
- SNAP cuts would send more people to food banks, which are already under significant pressure from rising
  grocery prices, and don't have capacity to meet a surge in demand or at the scale that people were
  receiving with SNAP benefits. SNAP provides <u>nine meals</u> for every one meal provided by a food bank,
  according to the Food Research and Action Center.

## **SNAP Is Essential to Helene Recovery in Western NC**

- SNAP is playing a vital role in supporting Western North Carolinians impacted by Hurricane Helene. Immediately after the storm, SNAP had the highest number of applications (169,000) since Hurricane Florence in 2018. All 25 western NC counties most impacted by Helene had higher SNAP enrollment in March 2025 (~239,500 combined) than in September 2024 before the storm hit (~226,100) for an increase in 13,400 people enrolling in SNAP post-Helene. It is essential to protect SNAP benefits for western North Carolinians and businesses that are still recovering from the storm.
- SNAP provides quick, targeted food assistance to the most vulnerable following disasters. The program is one of the fastest forms of economic stimulation, infusing money into the economy quickly during a downturn—supporting grocery stores, farmers, and workers.

# Potential Federal SNAP Cuts Will Impact the State Budget and Economy, and Hurt North Carolinians

- Congress is considering cuts of over \$230 billion to SNAP over 10 years through the budget reconciliation process currently underway. One proposal includes shifting a portion of food benefit costs to states, which have always been fully covered by the federal government. With \$2.8 billion in federal funds paying for North Carolina's SNAP food benefits in 2024, proposals to shift even 5% of federal benefit costs to states would cost NC roughly \$140 million in state funds. If states were required to match 10% (or \$280 million) of SNAP benefit costs, it would be equivalent to more than 5,000 teacher salaries in North Carolina.
- North Carolina lawmakers are not likely to cover this new annual cost, especially if there is a loss to federal Medicaid funding, which would force the state to cut SNAP benefits, limit eligibility, or both.
- Projections indicate the cuts Congress is considering would <u>weaken North Carolina's</u> <u>economy</u> by lowering NC's GDP by \$558 million, leading to the loss of 4,700 jobs in NC, and decreasing state and local tax revenue by \$48.8 million in the year 2026 alone.

