



SNAP Spending Projected to Decrease in FY 2023 Despite Higher Unemployment Expectation

Fiscal year (FY) 2022 could mark a record outlay for the Supplemental Nutrition Assistance Program (SNAP).¹ Data from the [U.S. Department of Agriculture](https://www.aphis.usda.gov/our-work/programs/snap) indicate that roughly 41 million people participated in SNAP and monthly benefits averaged \$230 per person within the first 10 months of FY 2022. A FAPRI model projects that SNAP expenditures will reach a peak of \$120 billion in FY 2022 and drop to \$111 billion in FY 2023, though remaining higher than pre-pandemic levels. Several factors drive the result.

First, as the COVID-19 pandemic abates and therefore temporary programs that raised benefit allotments, average benefits are projected to decline despite an increase of 12.5% to the [FY 2023 maximum benefit levels](#), meant to reflect inflation adjustments to the cost of the Thrifty Food Plan. This decline in average benefits is large enough to offset the effect of a higher unemployment rate, which S&P Global projects will rise by one percentage point in 2023.² Due to its counter-cyclical effect, participation in SNAP tends to rise during economic downturn. On the other hand, lower benefit allotments likely attract less people to participate. Our model considers these interactions that primarily drive program expenditures. (See our [model documentation](#) for more detail on model structure.)

However, the resulting effect on SNAP expenditures can change their direction depending on how high or low unemployment will materialize, and consequentially any temporary policies that might be enacted in response to macroeconomic conditions. FAPRI's preliminary results shed light on the prospective direction of SNAP expenditures, which account for most farm bill spending.

¹ For the context of this brief, SNAP refers to the foundational program covering 50 states, the District of Columbia, Guam, and Virgin Islands. Our data are comparable to USDA's annual reports on SNAP participation, average benefits, and total costs including administrative costs but excluding other temporary programs such as P-EBT or assistance for Puerto Rico, American Samoa, and the Northern Marianas.

² S&P Global data are not publicly available.

