



NU PERSPECTIVES: MAY 2023

The Impact of Ending the SNAP Emergency Allotment Program



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Read all the findings, hear the consumers
and see the interactive charts for this
month's Nu Perspective.





THE RUNDOWN

- Brand and retail leaders need to understand the impact and risk of SNAP benefits' reduction on their categories—disproportionate volume declines are happening across nearly any size of departments and brands.
- SNAP recipients have had to deprioritize stocking up during a sale and prioritize cheaper brands due to limited funds. Brands and retailers should optimize existing promotions and timing more strategically to aid SNAP recipients, as well as consider promoting online shopping options to alleviate the financial burden of rising gas prices and discretionary expenses on this group.
- Despite facing challenges, SNAP recipients have not expressed greater concern about their financial outlook, and they have demonstrated resourcefulness in dealing with the situation. Should companies look to help SNAP recipients, they can consider offering opportunities to stretch their SNAP spending, advocating for government programs that combat food insecurity, and developing long-term plans to offer options for low-income households.

Introduction



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Meet Sara, a 60 year-old woman living in a rural area of the mid-Atlantics. She has just had her SNAP (Supplemental Nutrition Assistance Program) benefits drop by over \$200 a month, and is looking to shop for low prices, cutting back on meats, and strategizing to get by with her reduced allotment. However, Sara is not a unique case— *she and millions of other SNAP recipients are finding ways to stay afloat after the emergency allotment program ended this past February.*

Back in January 2021, the US government implemented additional funding for the SNAP welfare program to help families afford groceries during the public health crisis. The program allotted households an increase of \$95 a month or the maximum benefits for their household size, depending on which increase was greater. With the COVID emergency declaration coming to a close, thirty-two states dropped the program at the end of February 2023. The other eighteen states had already dropped the increased allotment prior to this recent round.

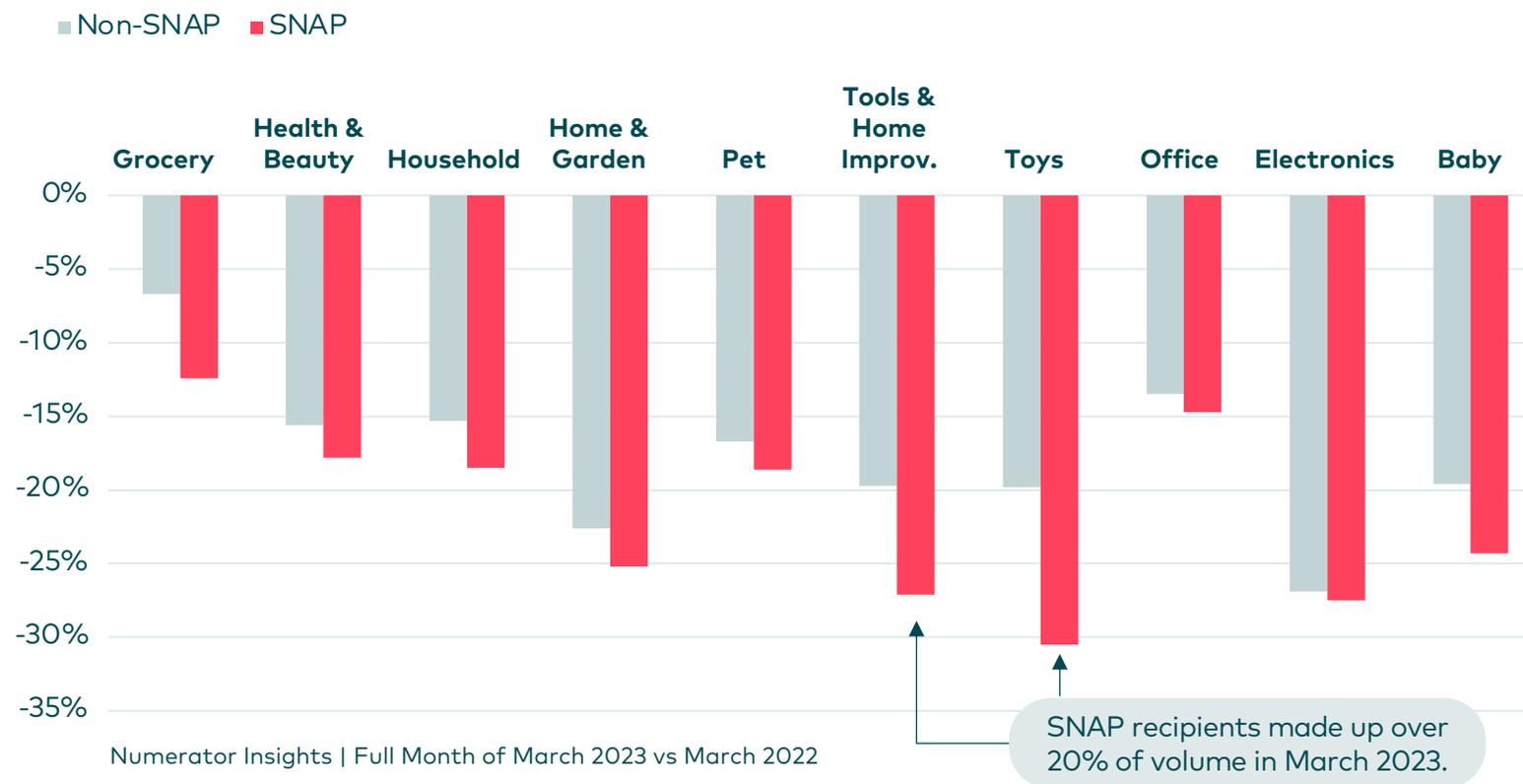
With a minimum of \$95 per recipient lost every month and an estimated 41 million SNAP recipients, brands and retailers will face a \$46+ billion gap in consumer spending in the year to come. Even more, brands and retailers across the store will need to understand how to remain in shoppers' repertoire as SNAP recipients look to save wherever they can.



Companies across all sectors are at risk of volume reduction from SNAP recipients. Smaller brands will also need to watch out.

By Sector | % Volume Change Post Emergency Allotment Expiration (in Units)

Among states ending emergency allotment in March 2023



By Brand Size | % Volume Change Post Emergency Allotment Expiration (in Units)

Among states ending emergency allotment in March 2023 | Grocery sector



Numerator Insights | Brand listing excludes private label and PLUs. Ranked by dollar sales in L52W ending 3/31/2022 | Full Month of March 2023 vs March 2022

Reducing absolute cost and trips is now the preferred saving tactic for SNAP recipients as they look to extend their benefits.

% of SNAP Respondents

Which of the following, if any, have you done in the past month to cope with rising food prices?

● February 2023 ● April 2023



Numerator SNAP Survey Pulse | Sample is greater than 1250 respondents per wave

% of Total Store Traffic Growth

March 2023 vs February 2023

SNAP 4.5%

Non-SNAP 11.6%

Numerator Insights



58%

Claim their SNAP benefits only last up to two weeks—+11pp compared to September 2022

Numerator SNAP Survey Pulse | Sample is greater than 1250 respondents per wave

The SNAP recipient's shift to private label is happening in categories beyond just grocery.

% of Departments (Weighted by Volume) in Sector Shifting to Private Label

March 2023 vs March 2022 | +100bps of unit share gained by Private Label

Department	SNAP	Non-SNAP	Difference (SNAP vs Non-SNAP)
Pet	73%	76%	-3%
Home & Garden	39%	25%	14%
Baby	37%	20%	18%
Tools & Home Improvement	33%	45%	-13%
Grocery	30%	26%	4%
Toys	26%	22%	4%
Health & Beauty	24%	18%	7%
Household	22%	29%	-7%
Electronics	14%	16%	-2%
Office	10%	10%	0%

Numerator Insights | Full Month of March 2023 vs March 2022



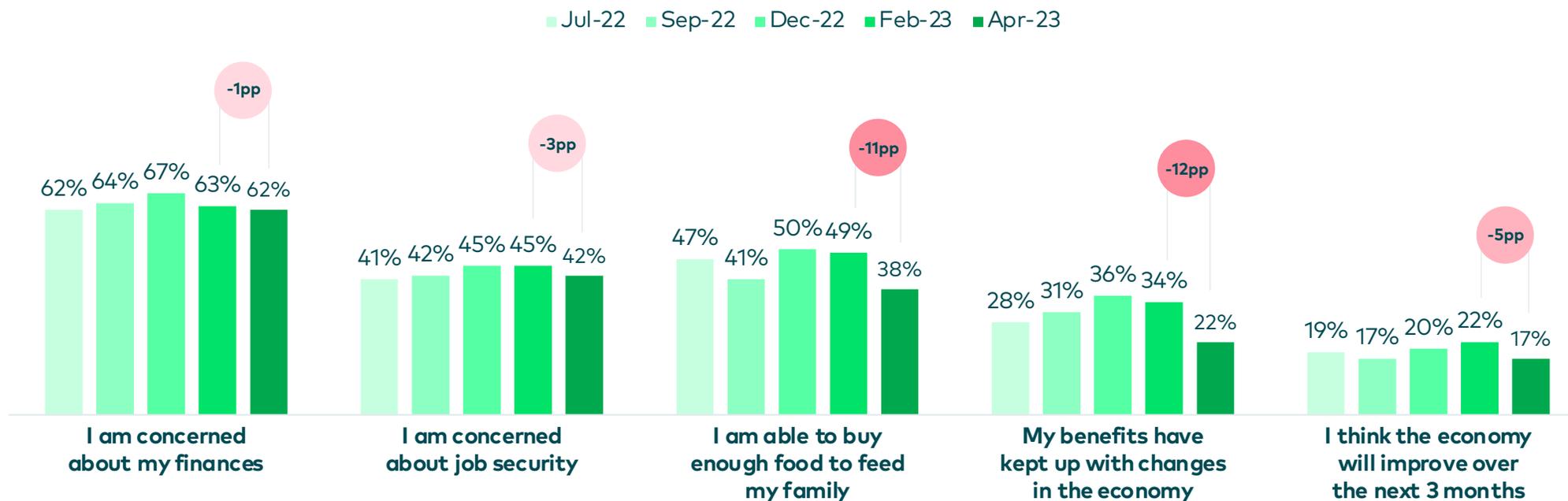
“ The recent cuts to the SNAP benefits have deeply impacted this household. I'm certainly buying less food now. **I'm buying cheaper, more private label brands.** Sometimes I'm trying to combine my grocery shopping trips. I use coupons. I look cautiously for sales, whether it's in person or online.

- NuQual | 35 Year-Old, Male SNAP Recipient Living in the Northeast

Although SNAP recipients are noticing a change in spending, concern about finances and job security have stayed stable.

% of SNAP Respondents | Top 2 Box Responses (Strongly Agree / Agree)

How much do you agree or disagree with the following statements?



Numerator SNAP Survey Pulse | Sample is greater than 1250 respondents per wave



 Numerator

Get the latest thinking on SNAP consumers.

This analysis is part of our [SNAP Consumer Insights Center](#) – bringing together our latest research on shopping trips where SNAP / WIC benefits are leveraged and the households using these programs.