



CONSUMER DEEP DIVE

Helping SNAP Consumers During Economic Headwinds



About the Report



The Supplemental Nutrition Assistance Program (SNAP) is a government welfare program that helps low-income households provide for their family and purchase groceries via an Electronic Benefits Transfer Card. SNAP redemption has grown to be worth over \$125 billion in full year 2021—up from \$55 billion in full year 2019.¹

Numerator provides the clarity needed to understand the full impact of SNAP on modern consumers. Compared to legacy solutions that track SNAP households through recall-based surveys issued a few times a year, Numerator allows brands & retailers to see purchase-verified households participating in the program, understand their omnichannel purchasing and get detailed view into SNAP specific trips—representing a more accurate world of today's consumer.

SNAP recipients represent a diverse group of consumers.

Commanding nearly 1 in 4 CPG dollars, SNAP households are more likely to have children, be multicultural and live in urban areas.

SNAP RECIPIENT PROFILE

L12M Ending 12/31/2022 | % of Households | Index to Non-SNAP Households

INCOME



61%

are in the bottom 30th percentile in purchasing power.

CHILDREN



45%

have children compared to 28% of non-SNAP households.

ETHNICITY



2x

SNAP households are twice as likely to be Black/African-American or Hispanic/Latino vs non-SNAP.

HOUSEHOLD



29%

have a size of more than 5 members.

URBANICITY



28%

SNAP households are 28% more likely to live in urban areas compared to non-SNAP.

AGE



37%



of SNAP households are Gen Z or Millennial.

Understanding how a SNAP recipient is shopping is imperative as SNAP trips drive larger spend and volume for brands and retailers.

SNAP SHOPPING PROFILE DURING GROCERY PURCHASES

Of SNAP Shoppers | L12M Ending 12/31/2022

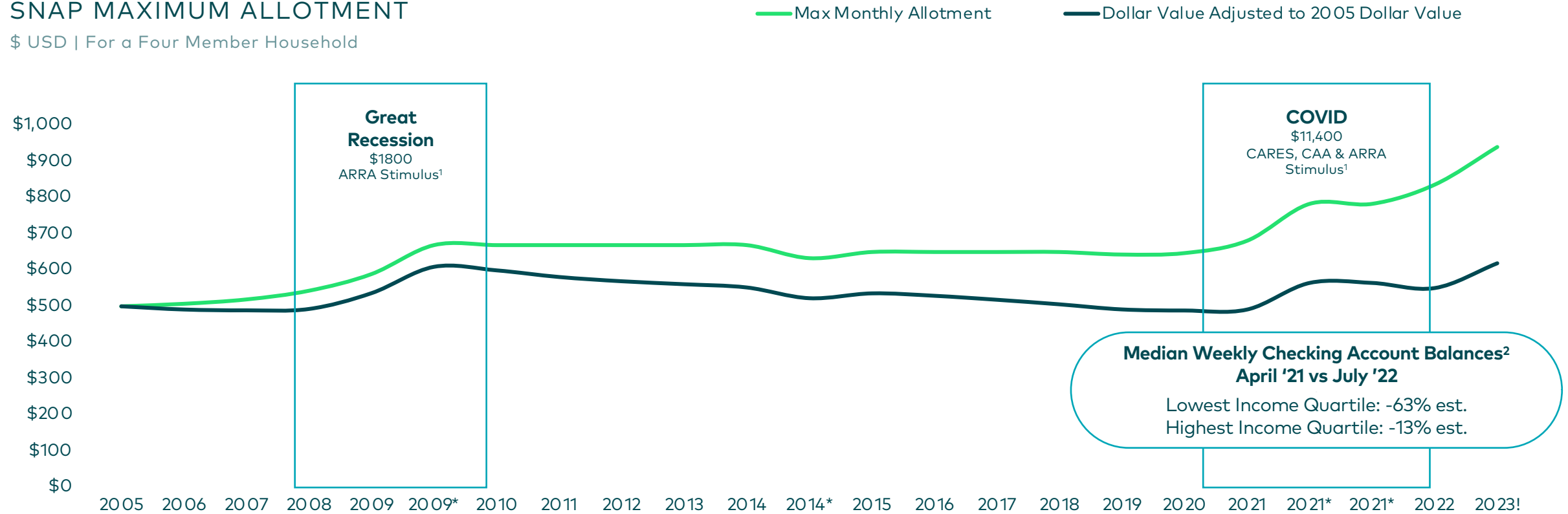


SNAP USED ON TRIP	BASKET SIZE	SPEND PER TRIP ON GROCERIES	UNITS PER TRIP ON GROCERIES
 SNAP Utilized	\$47.70	\$36.20	10.4
 SNAP Not-Utilized	\$32.23	\$18.89	5.2
Index SNAP to Non-SNAP	148	191	200

SNAP allotment is growing, but inflation is limiting its reach. Stimulus helped close the gap, but those funds are running out.

SNAP MAXIMUM ALLOTMENT

\$ USD | For a Four Member Household



Source: US Federal Bureau of Labor Statistics
 *Adjustment was made an additional time in the year.
 †Adjusted value is based on 2022 inflation rate.

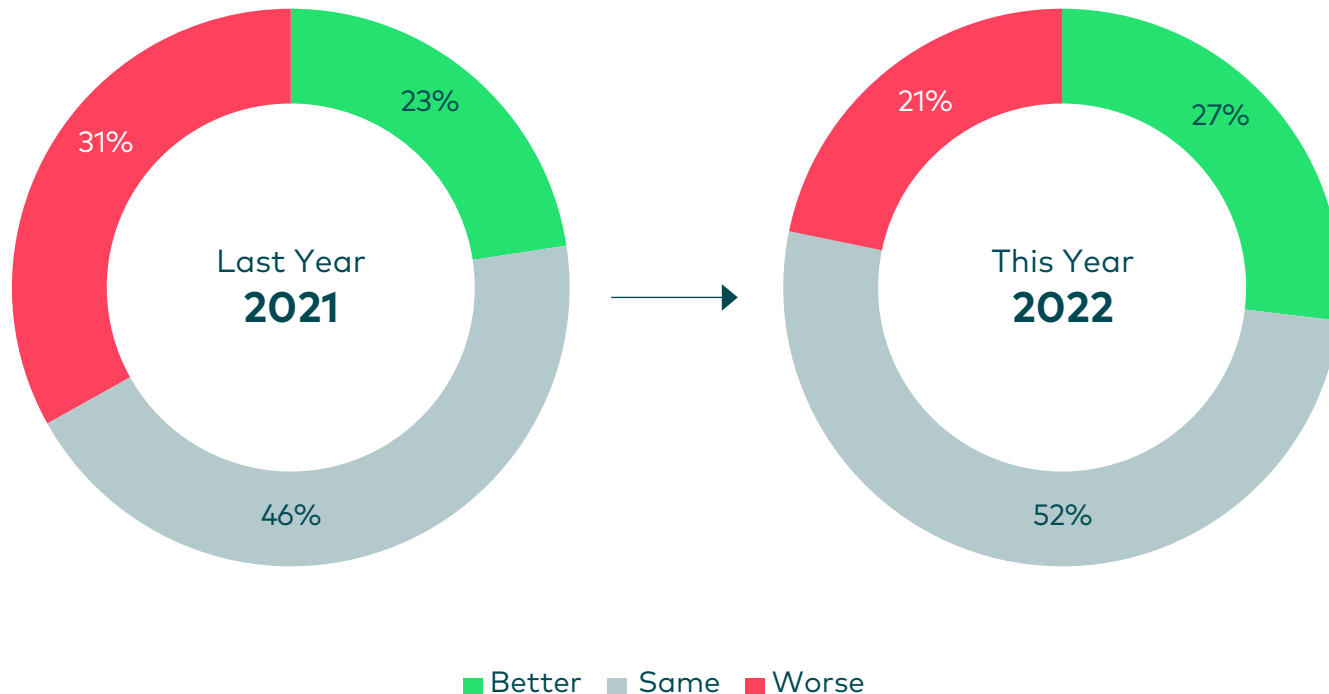
¹Based on assumption of 2 adults and 2 children.

²Wheat, Chris, Erica Deadman. 2022. ["Household Pulse through June 2022: Gains for most, but not all."](#) JPMorgan Chase Institute.

Financial outlooks is improving compared to last year, but SNAP households are more likely to be overwhelmed with financial burdens.

FINANCIAL SITUATION COMPARED TO PRIOR YEAR

% of Households | SNAP Households | L12M Ending 12/31/2022



FINANCIAL ATTITUDES



1 in 5

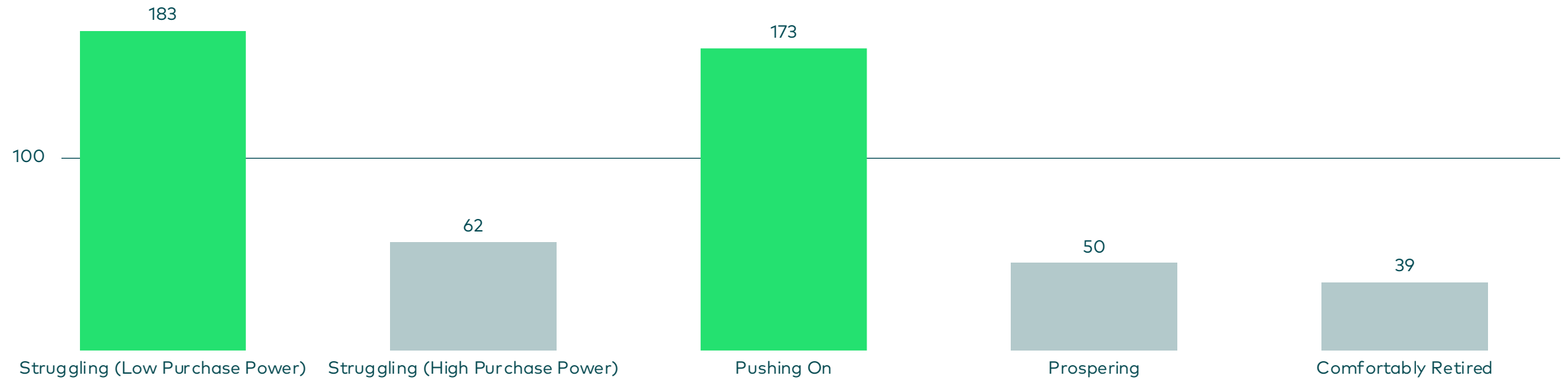
SNAP households say they are overwhelmed with financial burdens

(124 index to Non-SNAP)

SNAP recipients heavily overindex with being struggling households.

NEW REALITIES SEGMENTS: SNAP HOUSEHOLDS INDEXED TO TOTAL US

% of Households | L12M Ending 12/31/2022



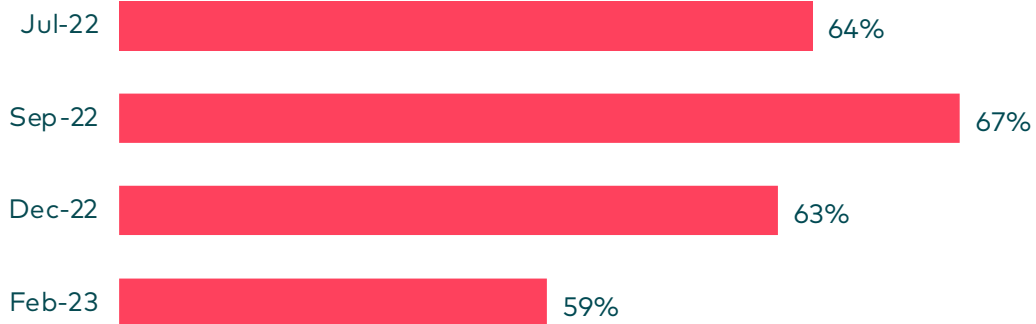
While SNAP recipients are gaining more confidence in the economy, majority are cautious and 1 in 4 feel food insecure.

SNAP CONSUMER PULSE | % OF SNAP HOUSEHOLDS

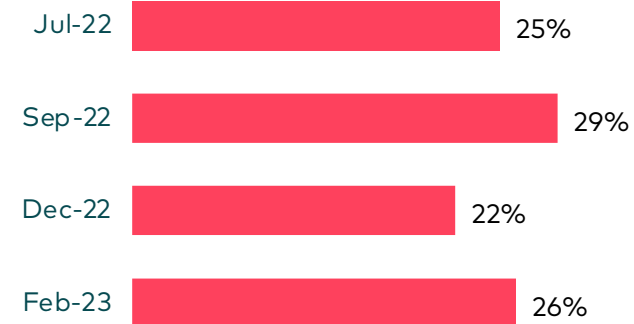
Field Dates for Wave 1: July 13-16 | Wave 2: Sept. 12-13 | Wave 3: December 16-17 | Wave 4: February 9-10



"I feel the economy will **not improve** in the next three months."



"I am **unable to buy enough food** to feed my family."



Brands & retailers will need to consider the SNAP recipient's new behaviors and the future state of SNAP going forward in order to help.

CORE THEMES FOR SNAP IN 2023

Category Consolidation 	Channel & Brand Shifting 	Health & Wellness 	Future State of SNAP 
<p>SNAP recipients are cutting snacks & seafood at a faster rate than non-SNAP. However, personal care and alcoholic beverage brands could see resiliency with the SNAP shopper.</p> <p>Brands will also need to understand how consumers are purchasing sizes in their category to inform if they are either looking for value or lowest absolute price.</p>	<p>Driving value and slowing down costs is crucial for brands and retailers in retaining SNAP recipients.</p> <p>The food channel is winning traffic as smaller format & ethnic stores offer the slowest increase in prices and recipients are shifting away from OOH.</p> <p>Mass is also winning as recipients transition units over to private brands like Great Value.</p>	<p>SNAP recipients also face a disproportionate amount of healthcare costs—not only from themselves but those in their household.</p> <p>Having little time to care for their own health, retailers can help SNAP recipients by expediting the shopping trip.</p>	<p>SNAP recipient demographics could stay with their base as job security is heightened vs total US, but headwinds in certain industries could evolve the makeup of consumers in the long run.</p> <p>Brands will need to segment their consumers by career to anticipate any new demographic shifts in the short- and long-term.</p>



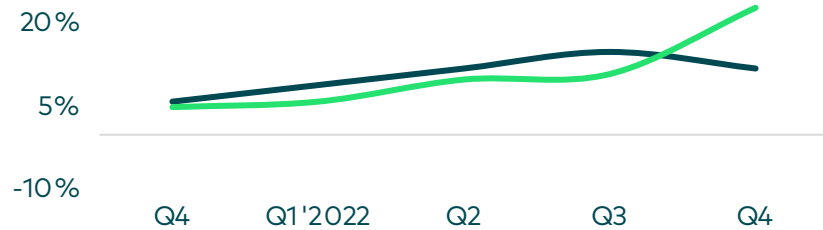
Category Consolidation

Where have we seen SNAP made tradeoffs in the categories they purchase?

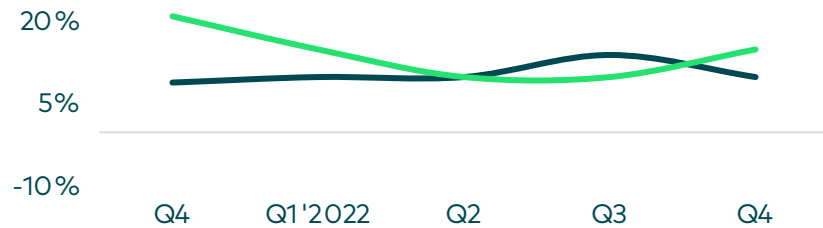
Entering 2023, SNAP recipients are facing a disproportionate amount of spending more per unit.

SPEND PER UNIT CHANGE VS YEAR AGO
Rolling Quarter by Quarter Ending 12/31/2022

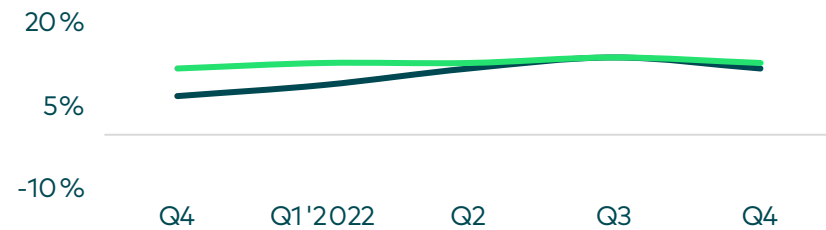
BABY



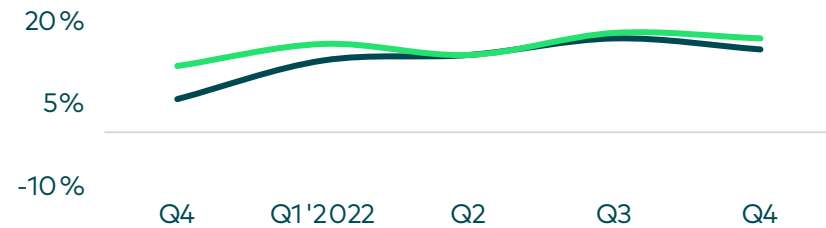
HEALTH & BEAUTY



GROCERY



HOUSEHOLD



TOTAL CPG SPEND PER UNIT
L3M vs YAG

SNAP

+13%

Non-SNAP

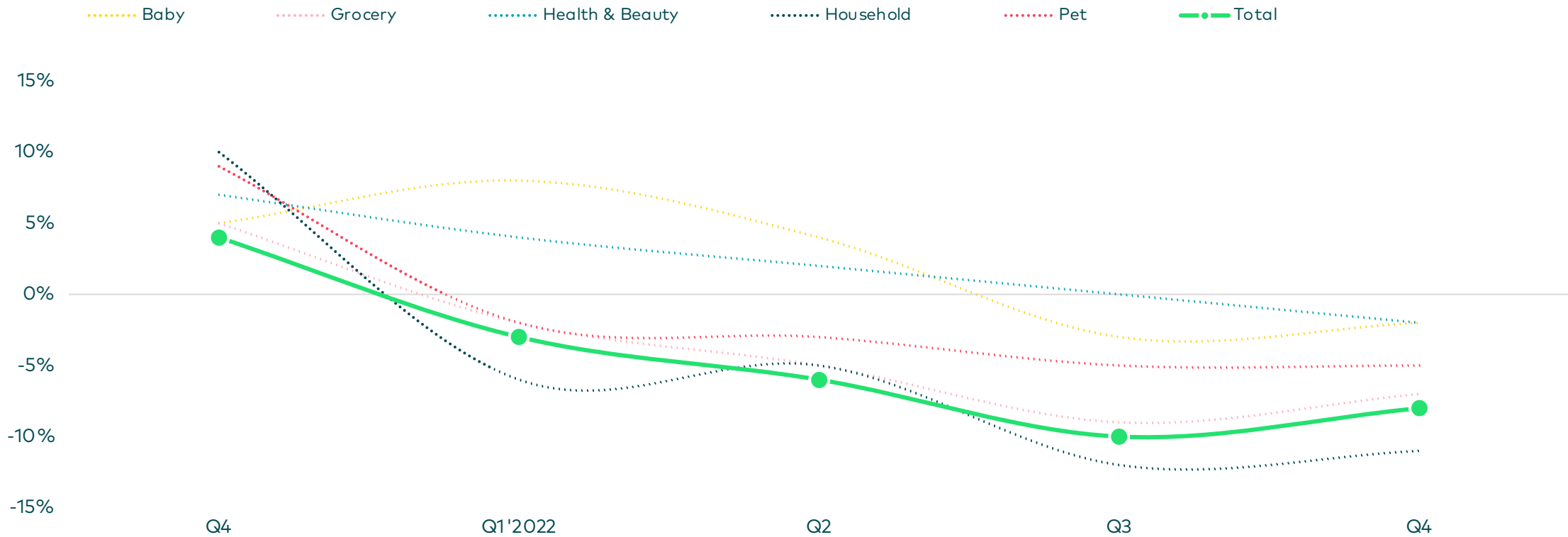
+11%

Source: Numerator Insights | SNAP Shopper defined as making 12+ trips utilizing SNAP in the transaction (N=21,429)

SNAP recipients are consolidating units to offset the higher costs.

UNITS PER HOUSEHOLD CHANGE VS YEAR AGO

Rolling Quarter by Quarter Ending 12/31/2022

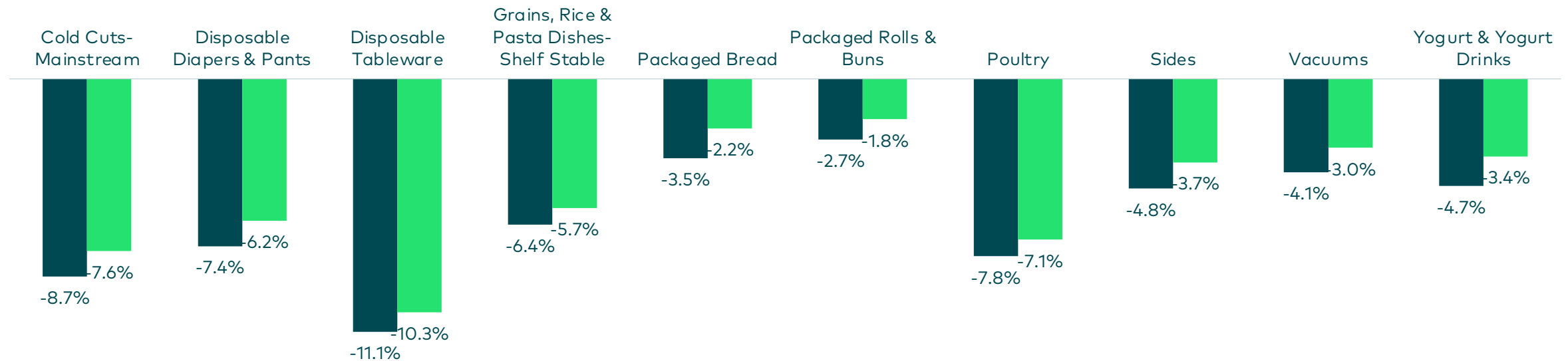


While typical grocery homecare items are being consolidated with SNAP, these are also happening at the same rate with non-SNAP users.

UNITS PER HOUSEHOLD CHANGE VS YEAR AGO

Select Categories Among Top 100 Categories by Dollar Sales | L12M Ending 12/31/2022

■ Non-SNAP ■ SNAP

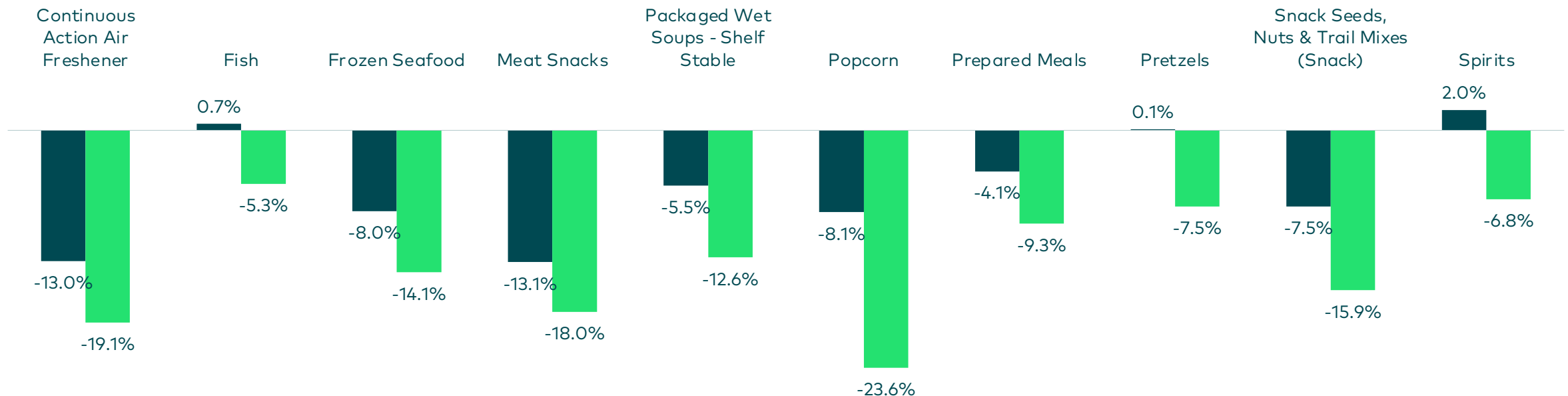


SNAP recipients are pulling snacks and seafood units back more than non-SNAP.

UNITS PER HOUSEHOLD CHANGE VS YEAR AGO

Select Categories Among Top 100 Categories by Dollar Sales | L12M Ending 12/31/2022

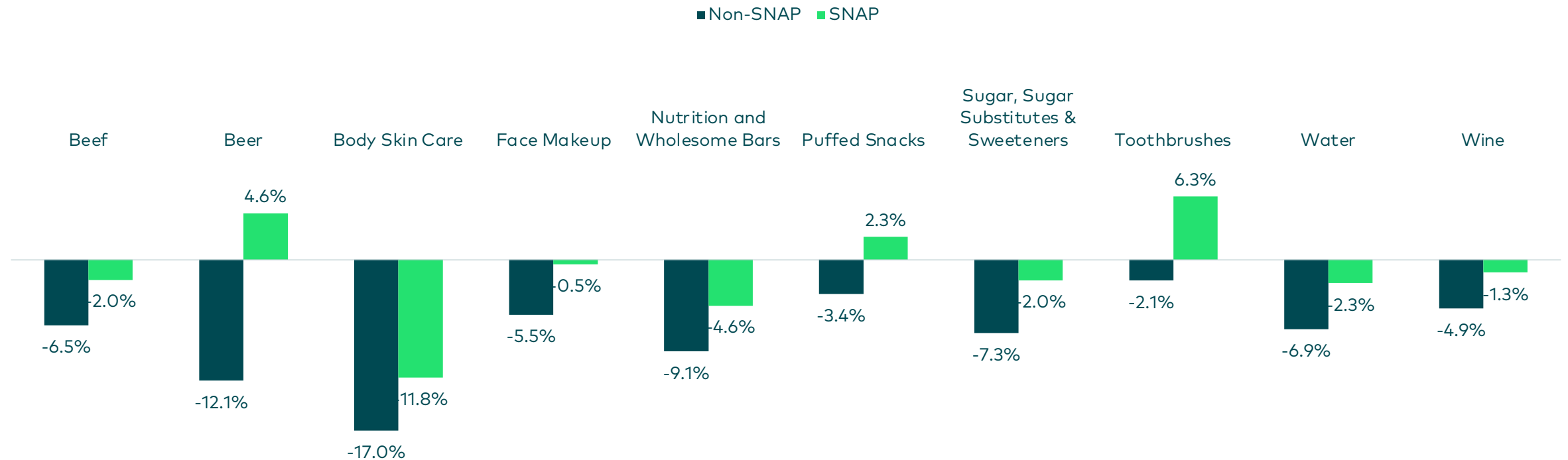
■ Non-SNAP ■ SNAP



However, SNAP recipients aren't consolidating on personal care and most alcoholic beverages as deep as non-SNAP.

UNITS PER HOUSEHOLD CHANGE VS YEAR AGO



Select Categories Among Top 100 Categories by Dollar Sales | L12M Ending 12/31/2022



Brands will need to consider how SNAP recipients are moving to different sizes to rationalize value for their category.

SIZE INSIGHTS

Of SNAP Recipients | All Channels | L12M Ending 12/31/2022

		% of Units Sold in Category	
		Current Year	Change vs YAG
 Shifting to Larger Sizes Looking for best overall value	Frozen Dinner & Meals (>21oz)	15.4%	+1.0pp
	Mouthwash (>31oz)	39.3%	+2.2pp
 Shifting to Smaller Sizes Looking for lowest absolute price	Creams, Balms & Aftershaves (>8oz)	21.0%	-2.6pp
	Baking Powder & Soda (>14oz)	61.3%	-3.0pp



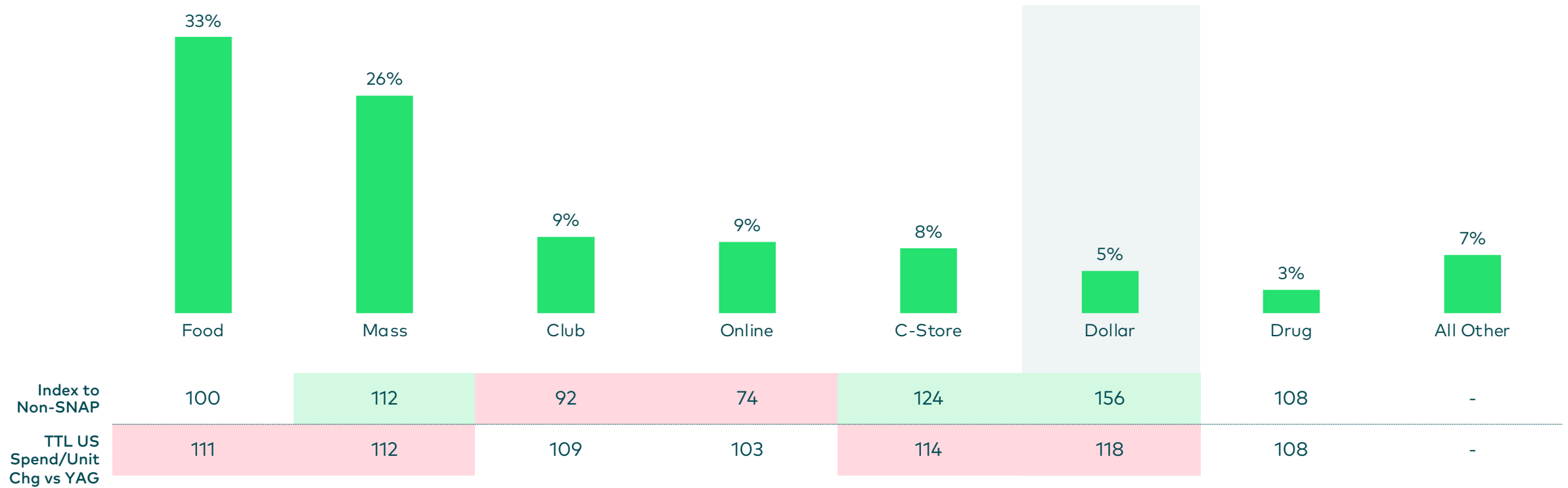
Channel & Brand Switching

How have SNAP recipients adjusted the stores and brands they purchased to offset higher costs?

SNAP recipients are spending more in the dollar channel where spend per unit has grown the most in the US.

SNAP HOUSEHOLD % OF SPEND BY CHANNEL

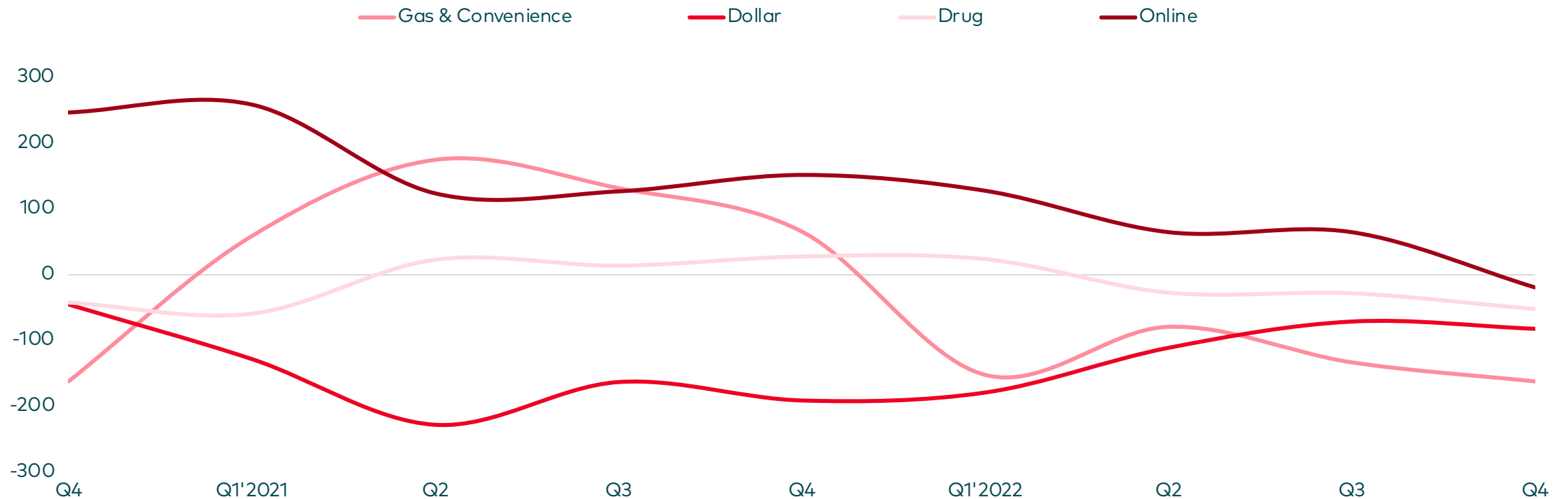
Total CPG | L12M Ending 12/31/2022



Brands will need to meet SNAP recipients where they are at. Traffic is transitioning away from dollar along with online, c-store & drug.

SNAP HOUSEHOLDS % OF TRAFFIC BY CHANNEL VS YAG (IN BPS)

Total CPG | FMCG, eCommerce, Specialty | Rolling Quarter by Quarter Ending 12/31/2022



And although SNAP recipients are more likely to eat out, they are moving food trips away from limited-service restaurants and back to stores.

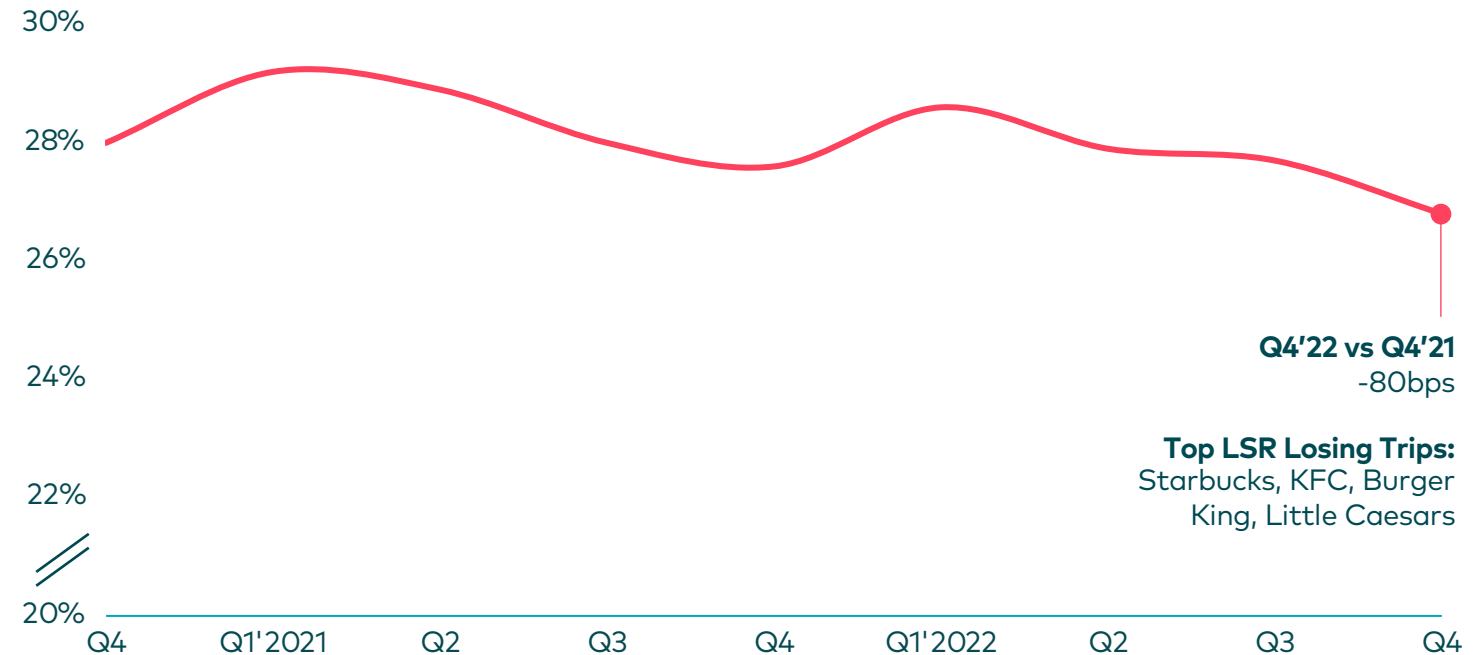


37%

SNAP households are 37% more likely to eat out at least **four or more times** per week vs Total US

SNAP HOUSEHOLDS % OF TRAFFIC FOR LIMITED-SERVICE RESTAURANTS

Total Grocery & LSR Categories | Rolling Quarter by Quarter Ending 12/31/2022



SNAP recipients have now moved to food, club and smaller format stores to search for affordability– and more recently, mass.

SNAP HOUSEHOLDS % OF TRAFFIC BY CHANNEL VS YAG (IN BPS)

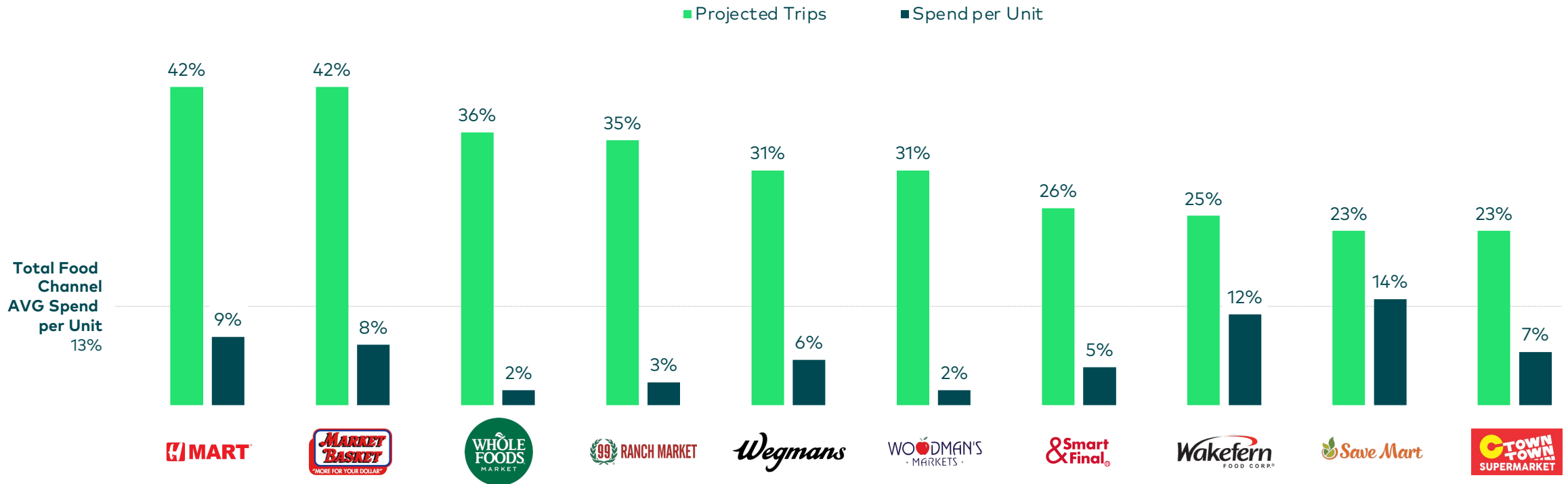
Total CPG | FMCG, eCommerce, Specialty | Rolling Quarter by Quarter Ending 12/31/2022



The food channel's rise with SNAP recipients is driven by regional and ethnic grocery stores winning trips by offering the slowest increase in prices.

FASTEST RETAILERS GROWING TRIPS AMONG SNAP HOUSEHOLD VS YAG

Total CPG | Within Top 50 Food Retailers Based on Dollar Sales | L12M Ending 12/31/2022

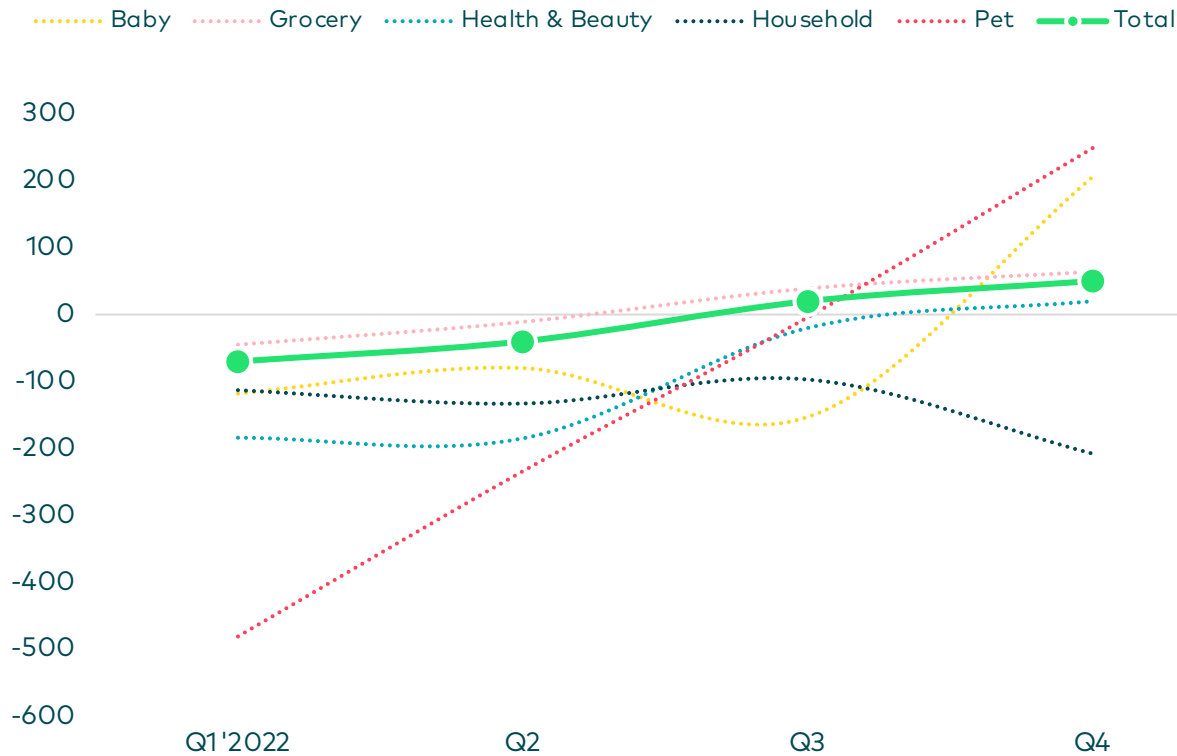


Source: Numerator Insights | SNAP Shopper defined as making 12+ trips utilizing SNAP in the transaction (N=21,429)

SNAP recipients are also trading down to private label. Although unit sales are down, Walmart, Aldi and Kirkland are outperforming branded CPG.

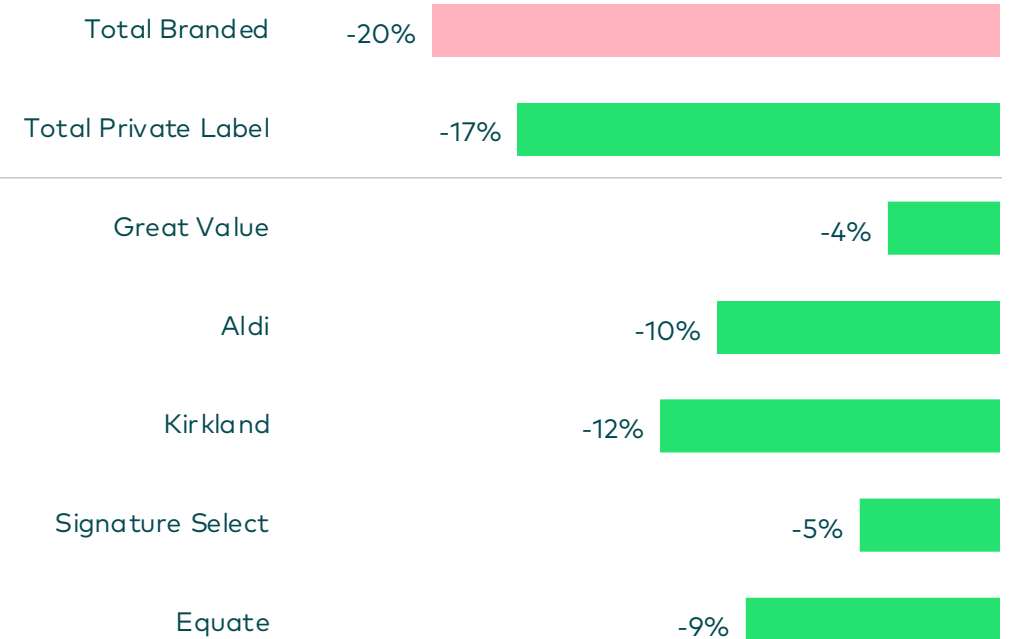
SNAP HOUSEHOLD PRIVATE LABEL UNIT SHARE VS YAG

In BPS | Rolling Quarter by Quarter Ending 12/31/2022 | Total CPG



BRANDS OUTPACING TTL PRIVATE BRAND UNIT GROWTH VS YAG

Total CPG | Showing Top 5 | Q4'2022 Ending 12/31/2022







Health & Wellness

What are SNAP recipients doing to maintain their health?

Health & wellness is a central focus for SNAP recipients due to its financial and personal weight.

HEALTHCARE AS % OF EXPENSES IN THE YEAR

	2014	2021
 Bottom 30th Income Decile	8.5%	10.0%
 Top 30th Income Decile	7.2%	7.2%

OVERINDEXING HEALTH CONDITIONS

Indexed to Non-SNAP | Latest 52 Weeks Ending 12/31/2022

3.8x
more likely to
be disabled
compared to
Non-SNAP

- COPD (196)
- Bronchitis (188)
- Urinary Incontinence (157)
- ADD/ADHD (156)
- Arthritis-Rheumatoid (154)
- Chronic Back Pain (147)
- Asthma (145)
- Chronic Migraines (143)

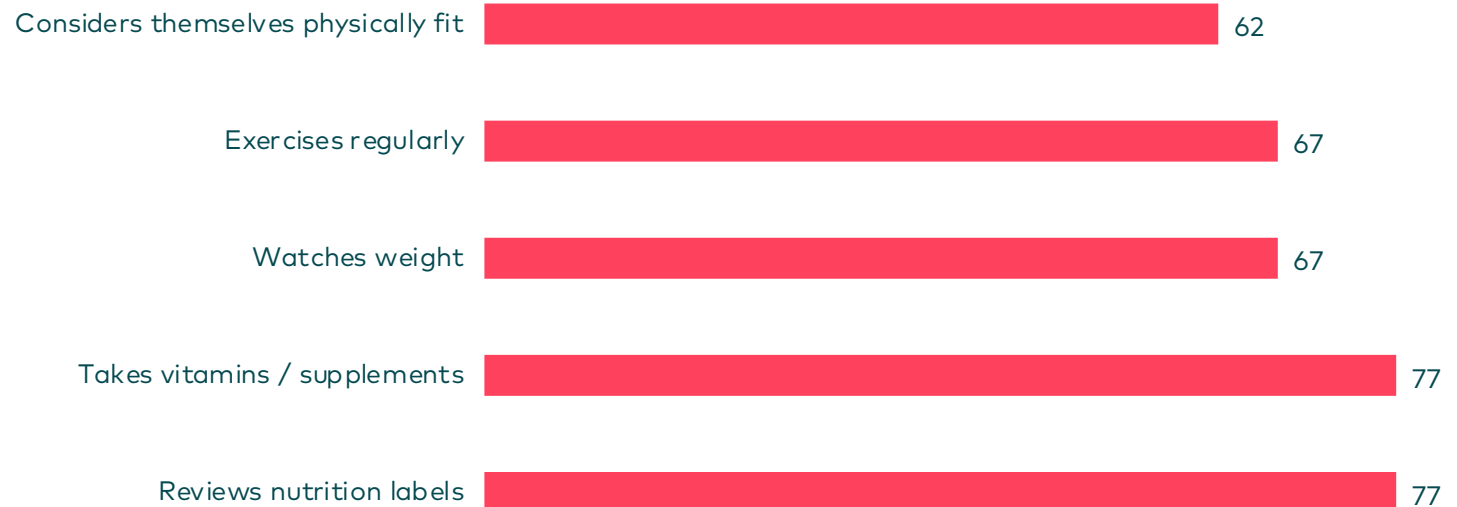
However, SNAP recipients are less likely to be aware of general of health & wellness attitudes.



56%

SNAP recipients are 56% more likely to be *not actively managing their health.*

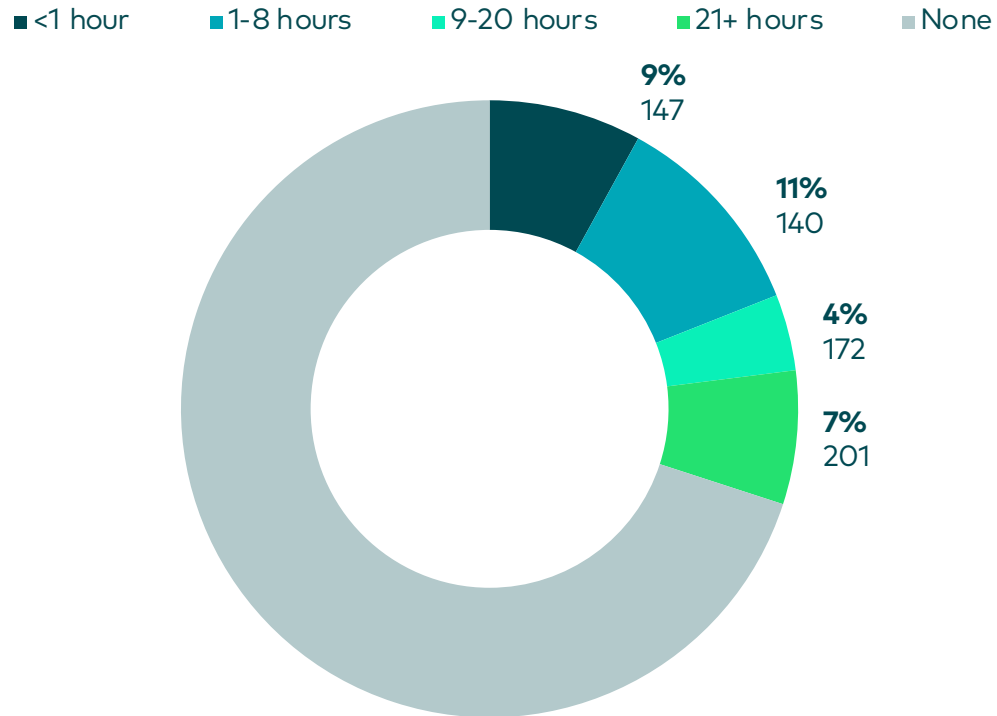
HEALTH & WELLNESS ATTITUDES OF SNAP RECIPIENTS INDEX TO NON-SNAP
Latest 52 Weeks Ending 12/31/2022



One factor could be that SNAP recipients are time-strapped as they are twice as likely to be a caregiver for more than 9 hours a week.

SNAP RECIPIENT TIME SPENT PER WEEK CAREGIVING

% of Households | Index to Non-SNAP | Latest 52 Weeks Ending 12/31/2022



1 in 3 

Shop 2+ times per week as a caregiver (138 index)

36% 

Have the one they are caring for in their own home (121 index)

Further expanding grocery delivery services could allow SNAP recipients to save time.

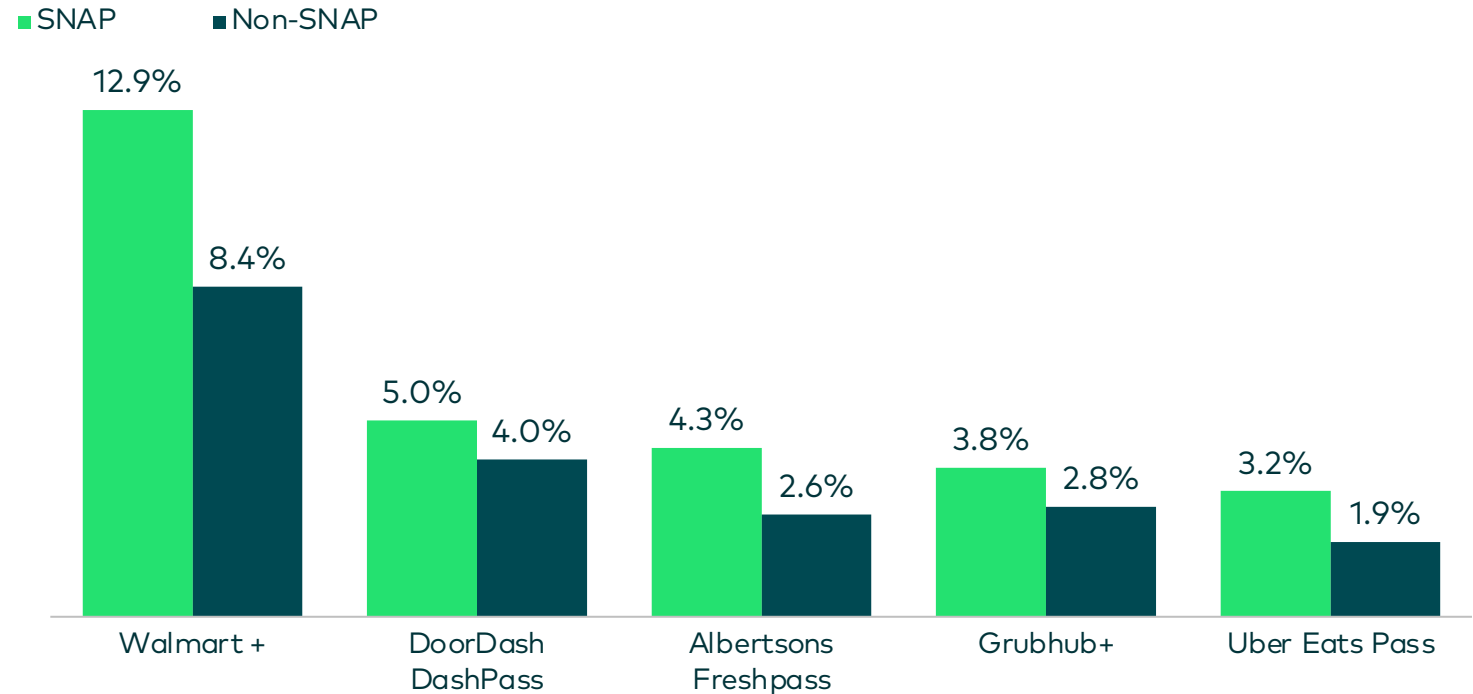


1 in 5

SNAP recipients wish that utilizing SNAP was more accessible in grocery delivery services

MEMBERSHIP PROGRAMS USED BY SNAP CONSUMERS

Index to Non-SNAP | Latest 52 Weeks Ending 12/31/2022





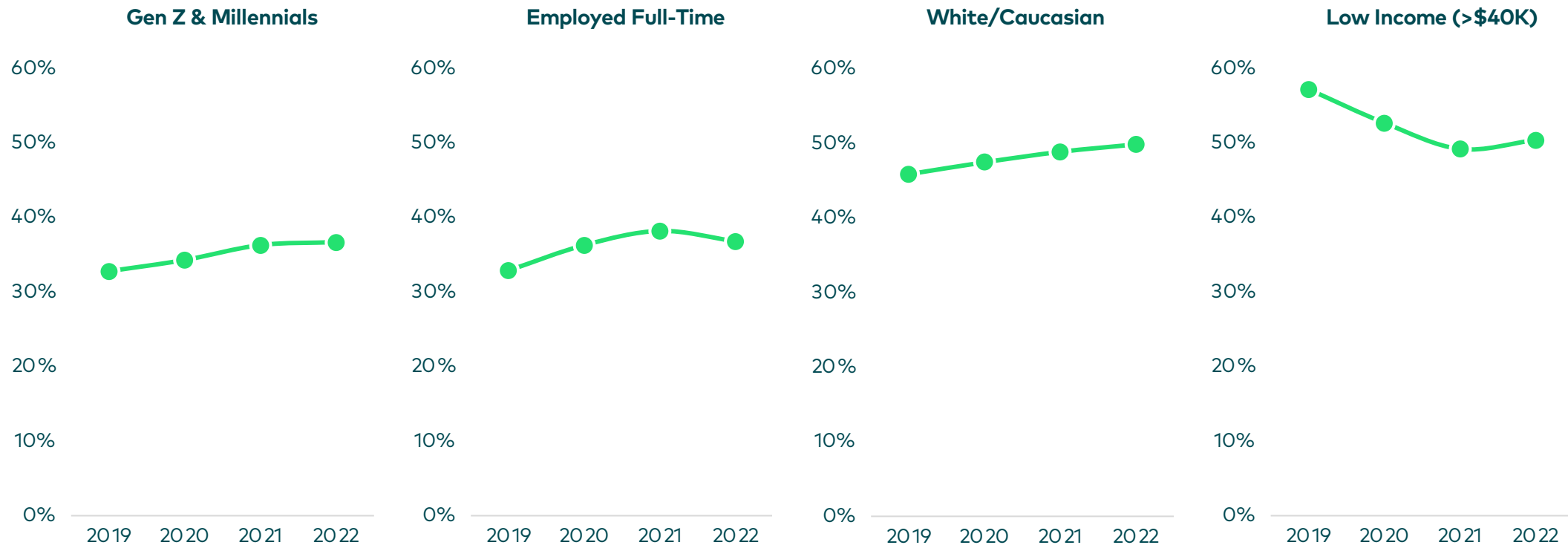
Future State of SNAP

How will the dynamics of the SNAP population change in the short- and long-term?

The demographics of the SNAP recipient is evolving. Younger, full-time, white, and higher-income households are growing in prominence.

SNAP RECIPIENT DEMOGRAPHIC MOVEMENT¹

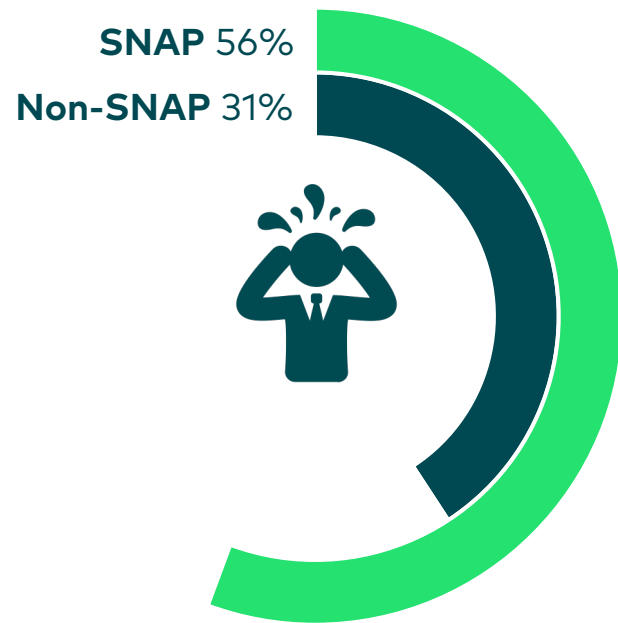
Rolling 12 Month by 12 Month Ending 12/31/2022



Source: Numerator Insights | SNAP Shopper defined as making 12+ trips utilizing SNAP in the transaction (N=21,429)
¹Based on 2022 Demographic Responses

We could expect this base of consumers to stay in 2023 as their concern around job security is heightened vs total US.

CONCERNED ABOUT JOB STABILITY % of Respondents | Top 2 Box (Extremely / Very)



SNAP HOUSEHOLD OVERINDEXING OCCUPATIONS Of App Owner | Indexed to Non-SNAP | Latest 52 Weeks Ending 12/31/2022







- Healthcare (Home Care) (195)
- Housekeeping (194)
- Childcare / Daycare (175)
- Driver / Transportation (149)
- Architecture / Design (136)
- Customer Service (133)

Expect long-term shifts moving towards those working in retail, manufacturing and agriculture which are projected for a slowdown.

DEMOGRAPHICS OF TOP DECLINING JOBS BY INDUSTRY

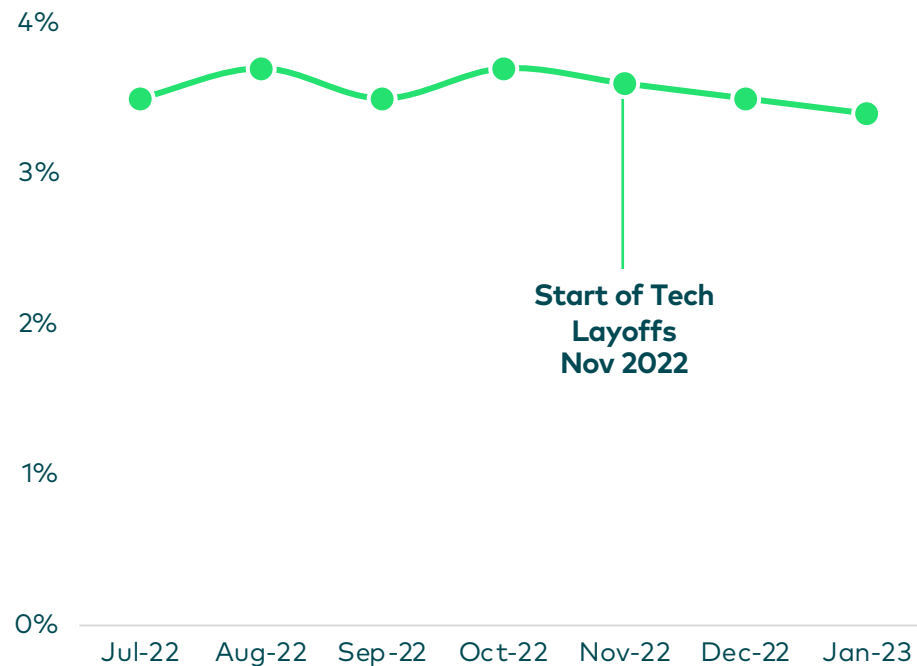
Of App Owner | % of Households | Indexed to Total US

	RETAIL	MANUFACTURING	AGRICULTURE (SELF-EMPLOYED)
 Difference in Number of Jobs in 2031 vs 2021¹	-332.7MM	-139.4MM	-44MM
 Age Generation	Gen Z 8% 152	Gen X 45% 128	Millennial 35% 129
 Ethnicity	White / Caucasian 67% 101	Black / African-American 16% 130	White / Caucasian 76% 115
 Income	10 th -40 th Percentile 56% 138	40 th -70 th Percentile 50% 125	50 th -70 th Percentile 41% 135

Although tech layoffs have not impacted unemployment figures, keeping watch of these consumers could help brands be proactive.

CIVILIAN UNEMPLOYMENT RATE

Seasonally Adjusted | Total US



COMPUTER / IT OCCUPATION (APP OWNER) PROFILE

Latest 52 Weeks Ending 12/31/2022 | % of Households | Index to Total US



AGE

34%

are Millennials.
(125)



GENDER

47%

are Male.
(209)



URBANICITY

37%

live in Urban areas.
(113)



INCOME

50%

are top 30th purchase power.
(166)



 Numerator

Know **your consumer** with certainty.

Interested in learning more SNAP consumers? Numerator has what you need for the deepest, most comprehensive understanding of consumers with 2500+ demographic, psychographic and premium segmentation attributes available.

To dive deeper into the data outlined in this report, reach out to your Numerator representative or contact us at hello@numerator.com.