File Food Stamps

CENTER ON BUDGET AND POLICY PRIORITIES

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A Quick Guide To Calculating Food Stamp Benefits For Families With Children

Most families and individuals that meet specified income guidelines are eligible for food stamps.(1) The size of a family or individual's food stamp benefit is based on cash income from all sources, including earnings and cash assistance. The elements needed to determine most families' food stamp benefits include: income from earnings and welfare, the number of family members, the family's shelter costs, and child care costs. There are other rules regarding eligibility for food stamps, such as a limit on the level of countable assets held by a family (and how the value of a car is treated when determining a family's countable assets) and a gross income limit.(2)

The food stamp benefit formula is based on the expectation that families will pay a portion of their food budget with income other than food stamps. The monthly food stamp benefit thus is the maximum benefit less the family or individual's contribution. It should be noted that the maximum food stamp benefit is based on the cost of the U.S. Department of Agriculture's Thrifty Food Plan, a diet plan that provides adequate nutrition at a modest cost.

Food Stamp Benefit Parameters

The parameters for determining monthly food stamp benefits include the *maximum benefit* and a family's *countable income*. Countable income for food stamps includes earnings (before payroll taxes are deducted) and welfare benefits, less a *standard deduction* all families receive, an *earnings deduction* for families with earnings, a *child care deduction* for families with out-of-pocket child care expenses, and an *excess shelter costs deduction* for families with high shelter costs relative to their income.(3)

The maximum monthly food stamp benefit for families of various sizes in 1999 and 2000 are shown in Table 1.

Table 1:
Maximum Monthly Food Stamp Benefits by Family Size, 1999 and 2000

	Family Size					
	One	Two	Three	Four	Five	Six
1999	125	230	329	419	497	597
2000	128	235	337	428	508	610

- The *standard deduction* for federal fiscal year 1999 is $134.
- The *earnings deduction* is 20 percent of earnings.
- The monthly *child care deduction* covers actual expenses with a limit of $200 per child for children under age two and $175 per child for other children.
- The *excess shelter deduction* is not a flat amount or a set percentage of housing costs. It is the amount by which housing costs (including the cost of utilities) exceed half of the following: income less the standard deduction, earnings deduction, and child care deduction. (The formula for the shelter deduction is shown below.) The excess shelter deduction is limited to $275 in 1999 unless one person in the family is elderly or disabled.
- To calculate the food stamp benefits of an actual family, the higher of the family's actual rent and utilities or the combination of its actual rent and the *standard utility allowance* used in the state should be used to determine the family's shelter deduction. (To simplify food stamp calculations, states are permitted to add a "standard utility allowance" to a family's rent and use the resulting sum when determining the family's shelter deduction. If a family's actual utility costs are greater than the standard utility allowance, it can provide documentation of its actual utility costs and those costs will be added to their rent.) The median shelter cost (as measured by the Food Stamp Program) of working food stamp households with children in a state can be used to determine the a typical working family's shelter deduction. Table 2 provides the median shelter cost of working food stamp households of three or four and at least one child. The shelter costs shown in this table include the cost of rent and utilities.

Table 2
Median Shelter Costs of Working Families
Families with Three or Four Members, with Kids

State	Median Shelter Expenses
Alabama	$341
Alaska	$381
Arizona	$355
Arkansas	$285
California	$408

Colorado	$474
Connecticut	$429
Delaware	$325
District of Columbia	$258
Florida	$427
Georgia	$383
Hawaii	$264
Idaho	$405
Illinois	$275
Indiana	$400
Iowa	$387
Kansas	$398
Kentucky	$251
Louisiana	$317
Maine	$578
Maryland	$350
Massachusetts	$566
Michigan	$503
Minnesota	$502
Mississippi	$241
Missouri	$327
Montana	$425
Nebraska	$363
Nevada	$502
New Hampshire	$325
New Jersey	$620
New Mexico	$218
New York	$655
North Carolina	$377
North Dakota	$364
Ohio	$350
Oklahoma	$364
Oregon	$406
Pennsylvania	$376
Rhode Island	$350
South Carolina	$150
South Dakota	$347
Tennessee	$393
Texas	$300
Utah	$450
Vermont	$375
Virginia	$353
Washington	$462
West Virginia	$316
Wisconsin	$357
Wyoming	$375
United States	$373

Notes: Data from food stamp quality control data set for fiscal year 1997.
Figure for total U.S. includes Guam and the U.S. Virgin Islands.

Monthly Food Stamp Benefit Formula and Example:

Example: A family of four with one full-time minimum wage worker, three children, and shelter costs of $400 per month.

- **Step 1:** The minimum wage for 1999 is $5.15 per hour. Full-time work (52 weeks and 40 hours per week) at this level yields annual earnings of $10,712 and monthly earnings of $893. The family pays $150 per month in child care for an infant.
- **Step 2:** 893 - 134 (standard deduction) - 0.2 times 893 (earnings deduction) - 150 (child care deduction) = 430.4. This is countable income A.
- **Step 3:** Shelter deduction = 400 - ½ times 430.4, or 400 - 215.2 = 184.8.
- **Step 4:** Countable income A (from step two) minus shelter deduction. 430.4 - 184.8 = 245.6
- **Step 5:** 0.3 times 245.6 = 73.68 = family's contribution toward food.
- **Step 6:** The maximum benefit in 1999 for a family of four is $419. The maximum benefit minus family contribution: 419 - 73.68 = 345.32.

The family's monthly food stamp benefit is $345.

Endnotes:

1. Most families are eligible to receive food stamp benefits each month their income and assets meet the program's rules. Adults age 18 to 50 who are not caring for children and not working, however, generally are limited to receiving food stamp benefits for three months in a 36-month period, unless they are participating in a job training program. States and localities can seek a waiver of this eligibility limit if they can show that the state or locality has high unemployment or a surplus of workers. In addition, many immigrants are not eligible to receive federal food stamps, including most adults and many of those who enter the country after August 22, 1996.

2. A family must have gross income below 130 percent of the HHS poverty guideline, and it must have *countable* income — that is, income after deductions allowed from income for food stamp benefit calculations — below 100 percent of the poverty guideline. Some near poor families with significant deductions for child care may be ineligible for food stamps because they do not meet the gross income test even though they may meet the countable income limit. More details concerning the asset limit, can be found on the Department of Agriculture's food stamp benefit web site: http://www.usda.gov/fcs/stamps/fselig.htm.

3. The most updated eligibility information can be found on the Department of Agriculture's homepage at the following address: http://www.usda.gov/fcs/stamps/fselig.htm.

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Center on Budget and Policy Priorities
820 First Street, NE, Suite 510

Washington, DC 20002
Ph: (202) 408-1080
Fax: (202) 408-1056