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Food stamp use on the rise in Nebraska, unlike in Iowa and rest of U.S.

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The recession is in the rearview mirror, and the state's unemployment rate is among the lowest in the nation, but the number of Nebraskans who rely on government assistance for groceries has been on the rise — heading in the opposite direction of Iowa and the rest of the country.

People who work with poor families say they don't expect the number of Nebraskans on food stamps to fall anytime soon: Low wages are driving the need for benefits, those people say. And better outreach is helping more people access benefits than in the past.

Still, some worry whether the benefits encourage an over-reliance on government help and create a disincentive to work.

Food stamp use in Nebraska — like in Iowa and elsewhere — skyrocketed after 2008 in the wake of the Great Recession. As the economy cratered, rules enacted across the U.S. to expand access to benefits also pushed usage higher: From 2008 to 2013, the number of Nebraskans who received food stamps jumped nearly 50 percent — from 120,800 to 180,000. By 2013, Nebraskans were receiving a total of \$265 million in food stamps, a program funded by the U.S. Department of Agriculture through the Farm Bill.

The percentage of Nebraskans on food stamps — officially called SNAP, or the Supplemental Nutrition Assistance Program — fell in 2014 just like it did in the rest of the country, but that percentage started to tick higher last year and into 2016 — bucking the downward trend seen in Iowa and throughout the rest of the U.S.

The number of Nebraska households using food stamps was down only 3 percent this April compared with three years ago, versus an 8.4 percent decline nationwide over the same time period, according to analysis from the Center on Budget and Policy Priorities.

While use is subsiding, the national program is still a huge cost: Last year more than 46 million Americans got a total of \$70 billion in benefits; SNAP and other smaller nutrition programs

make up 80 percent of the Farm Bill, the spending package that also includes crop insurance, land conservation programs and rural development.

The need for food was on view last week at the Heartland Hope Mission at 20th and U Streets in Omaha, where people one evening filled all 64 chairs while they listened to a preacher and waited their turn to push a cart down an aisle stocked with corn, peanut butter, oatmeal, garden vegetables, milk and meat.

Many of the pantry recipients also receive government-funded food stamps, but with the month half over, some said the money was gone or nearly so, and they needed more to eat.

At the end of the food aisle was client and food stamp recipient Paul Philamalee, who worked as a volunteer, passing out unsold deli sandwiches, whole Tyson chickens and stacks of ConAgra frozen dinners to the line of seniors, men and women, teens and toddlers.

Philamalee, a 36-year-old tow truck driver, said he started using food stamps when he was unemployed last fall after an on-the-job shoulder injury. He has continued to use them even though he is working again, driving a tow truck for an Omaha service station. He works 25 to 30 hours a week at \$10 an hour, and said his \$190 a month in food stamps is essential.

“I need the extra help,” he said.

Low wages are one reason Nebraskans are still using food stamps in near-record numbers, said recipients and their advocates.

Median household wages in Nebraska, adjusted for inflation, were lower in 2014, at \$52,686, than they were before the recession in 2008, at \$54,642, according to David Drozd, research coordinator at the Center for Public Affairs Research at the University of Nebraska at Omaha. Figures from 2015 aren't available yet.

Many people using food stamps are employed, a pantry official said; federal rules require “able-bodied” adults who have no dependents to be working, in school or in job training. But working — even at Nebraska's new \$9 minimum hourly wage — doesn't necessarily pay the bills, especially if a person's employer doesn't schedule them for a full 40-hour week.

The percentage of Nebraskans considered poor and near-poor was higher in 2014 than before the recession, though it fell a bit in 2014 compared with 2013. In 2014, 17 percent of Nebraskans — more than 310,000 people — were considered poor or nearly poor, with incomes under 125 percent of the poverty line. That compares with 14.6 percent in 2008. For a family of four in 2014, the poverty line was set at \$23,850, with the 125 percent level at \$29,813.

(Food stamp eligibility starts right above that threshold, at 130 percent of the poverty line, or \$31,536 for a family of four in Nebraska, according to the state's current schedule of benefits. A family of four at that income could collect a maximum benefit of \$649 a month.)

Continued need from working people like Philamalee is a factor, but not the only reason for Nebraskans' still-high reliance on food stamps.

Among other factors:

» Food pantries and other hunger-fighting groups have increased outreach to the poor, helping them sign up for benefits. The Food Bank for the Heartland, the Omaha organization that is the largest food bank in Nebraska and Iowa, began a food stamp outreach program six years ago with the goal of helping 400 people a year sign up for benefits, said Ericka Smrcka, director of network and client services.

In its fiscal year ending this past June, the group helped more than 9,000 households sign up, she said.

“We didn't even understand the need,” she said.

» Changes to the state's AccessNebraska call centers mean faster sign-up for people applying for food stamps. Federal officials warned the state in January 2015 that food stamp applications were taking too long to process. Advocates say that discouraged people from applying. The problems have now been resolved, the State Department of Health and Human Services said this month.

» Nebraska's use of food stamps didn't expand as fast as the rest of the country's, so it doesn't have as far to fall. Nebraska's peak use in 2013 was 50 percent higher than the 2006 use; nationwide, peak use in 2013 was 79 percent higher than in 2006.

In 2015 relatively few Nebraskans used food stamps: one in 11 people, compared with one in seven nationwide, according to the Center on Budget and Policy Priorities, a Washington think tank.

Food stamp use is expected to fall this year nationwide because many states are ending recession-era exemptions to rules that require able-bodied adults without dependents to work. Nebraska waived the work requirement starting in June 2009 and was among the first states to remove the waiver, in October 2010, due to the state's low unemployment rate.

A spokesman for the Nebraska Department of Health and Human Services, which administers the state's food stamp program, said the agency doesn't make forecasts about the number of people who may need food stamps in the future.

The spokesman, Russ Reno, said there are no limits on the number of people the state can serve because the money comes directly to the state from the USDA. The federal government pays half the state's costs to administer the program and has provided some money for outreach services.

Several food stamp users told The World-Herald they would like to end their reliance on the benefit but don't envision being able to do so.

Maria Alcala, 39, has seven children, including one with a serious illness. She shopped for produce Wednesday at a north Omaha farmers market, using a different federal food benefit, the Special Supplemental Nutrition Program for Women, Infants, and Children, or WIC, but also gets food stamps.

“I really want to go out there and work, but it’s hard for me because I have to take care of him,” she said of her ill son.

She receives \$710 a month in food stamp benefits and makes it last by price-matching at Walmart and making her own soup, she said. “Sometimes at the end of the month, I try to make a meal with what I have,” she said, even if her pantry remnants don’t add up to an obvious recipe.

“It really helps me to have this food,” she said. “I really appreciate what they do for us.”

Sometimes recipients calculate that going to work doesn’t pay, said Chelsea Salifou, executive director of the Heartland Hope Mission. Smrcka, at the food bank, said efforts to raise income requirements, so people can advance beyond entry-level pay without losing benefits, have failed in Nebraska.

The rules about who can receive food stamps are set by the federal government, including rules about gross and net income limits and the amount of assets a household can hold onto while receiving food stamps. States can make some changes to these standard limits; Reno, the Nebraska HHS spokesman, said lawmakers would need to pass legislation to change the income requirement in Nebraska.

The Food Bank for the Heartland’s Smrcka said efforts to do so have been unsuccessful, such as a bill — LB 330 — proposed by Nebraska Appleseed in 2013 and 2014. The bill would have raised gross income limits to 150 percent of the poverty line, from 130 percent, allowing more families to qualify.

Nebraska Appleseed, a group that advocates for the poor, said at the time that more than half of other states have raised gross income guidelines above the 130 percent level. The group said the change would help people move off public assistance by allowing them to increase their income without losing benefits before they can afford it.

The bill did not advance out of the Health and Human Services Committee.

Doug Kagen of Omaha, president of the Nebraska Taxpayers for Freedom, attributes that to the “complexion of the Legislature” with many moderate and conservative lawmakers.

He said his group has not specifically studied the expansion of Nebraska’s food stamp program but generally opposes expanding current welfare programs.

While some say raising income eligibility increases incentive to work, Kagen said, “We look at it from the opposite point of view; that is, if you keep raising the eligibility benefits for government assistance, that will give people a disincentive to go out and find a job.”

The libertarian think tank the Cato Institute has objected to the growing numbers of people using food stamps, arguing in 2013 that there is little evidence the food stamp program has reduced hunger or improved nutrition among low-income Americans. The group says the program breeds greater dependence on the government.

The typical Nebraska food stamp recipient uses the program for 38 months, or a little over three years, the Health and Human Services spokesman said.

Rachel Terbovich, 34, a mother of three, said her food stamp benefit fell from \$540 a month to \$160 when she went to work six days a week as a waitress at a Bellevue pizza place last year after she and her husband separated.

“I am doing what I can to support my family,” she said.

Terbovich, who earns \$2.13 an hour plus tips, for a minimum of \$9 an hour, stopped at the Food Bank for the Heartland’s mobile pantry event Wednesday in Bellevue to pick up a cart of food for herself and her children, who now rent space in her mother’s basement.

The pop-up event, at a community gymnasium, served a line of more than 100 people who brought their own laundry baskets, cardboard boxes and plastic tubs to pick up food.

Terbovich said she has used food stamps since her oldest child was born 14 years ago.

“Once you’re on the program, Nebraska makes it really hard to get off,” she said.

She said that’s because as she earns income, her food stamp and other public benefits are cut, leaving her wondering whether she is truly better off working. Asked if she thought she would one day be able to earn enough to end her reliance on the program, she said, “I will, eventually. It’s a struggle right now.”