

The logo for Wisconsin Reporter features a dark blue silhouette of the state of Wisconsin on the left. To the right of the silhouette, the word "Wisconsin" is written in a bold, dark blue sans-serif font, and the word "Reporter" is written in a bold, red sans-serif font. The two words are joined together as a single title.

Wisconsin Reporter

Obama not telling the truth about SNAP? Surely you can't be serious

By Adam Tobias

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MADISON, Wis. — [President Barack Obama](#)^[1] seems to be stretching the truth — again.

WHO, ME?: President Obama is not telling the truth when it comes to certain aspects of the Supplemental Nutrition Assistance Program.

But his latest round of deceit doesn't involve people being told they can keep their health insurance plans under the Affordable Care Act.

This time the commander in chief is stretching the truth about the [Supplemental Nutrition Assistance Program](#)^[3], which faces about \$39 billion in cuts under a bill passed last month by House Republicans.

Obama, who is touting the taxpayer-funded program as a fiscal engine that helps boost the economy, claims in a [report](#)^[4] released this week that SNAP participation and spending will fall significantly as America recovers from tough financial times.

If only that were true.

Since Obama signed into law the 2009 American Recovery and Reinvestment Act, which provided close to \$45.2 billion in additional SNAP benefits over four years, the national unemployment rate has dropped from [8.3 percent to 7.3 percent](#)^[5], according to the U.S. Department of Labor.

From 2009 to 2012, the country's gross domestic product increased from [\\$13.9 trillion to \\$15.6 trillion](#)^[6] and the national average wage index also jumped from [\\$40,711 to \\$44,321](#)^[7].

Yet the number of people who take advantage of SNAP and the money allocated for the program continue to skyrocket every year.

In 2008, the year Obama was first elected president, [close to \\$37.5 billion was spent on SNAP](#)^[8], with 28.2 million Americans and 12.7 million households participating.

Funding set aside for SNAP has more than doubled since Obama was elected president.

Funding for SNAP more than doubled to \$78.4 billion in 2012, and this year is on pace to surpass that total.

Approximately 46.6 million people and 22.3 million households received SNAP assistance in 2012.

Numerous states, including Wisconsin, also have seen their food stamp beneficiaries and spending soar.

Wisconsin, which is experiencing its lowest unemployment rate in several years and has added 11,590 new businesses since [Gov. Scott Walker](#)^[10] took office in 2011, paid out \$466 million in FoodShare benefits – the state’s version of SNAP – in 2008.

So far this year, the Badger State already has shelled out a little more more than \$1 billion.

Wisconsin had 647,560 FoodShare recipients in 2008 and 1.1 million in 2012.

But Obama insists the growing number of people who rely on government support is actually good for the economy.

Every new SNAP dollar generates up to \$1.80 in economic activity for the more than 230,000 retail food outlets that take part in the program, according to Obama, who is referring to the economic theory known as the [Keynesian multiplier effect](#)^[11].

But others aren’t so quick to hop on the president’s bandwagon.

An [article](#)^[12] co-written by Harvard economics professor Robert Barro says that, in most instances, multipliers only result in stimulus programs that raise the gross domestic product by less than the hike in government spending.

That seems to be the case with the American Recovery and Reinvestment Act, which is expected to increase budget deficits by \$830 billion between 2009 and 2019.

But the amount added to the gross domestic product because of the ARRA could be as low as \$231.6 billion through 2012, according to Congressional Budget Office estimates. And the uptick for 2013 could come in at only .1 percent.

“So, basically, you shrink the economy,” said Veronique de Rugy, a senior research fellow at [George Mason University’s Mercatus Center](#)^[13].

Michael Tanner, a senior fellow with the [Cato Institute](#)^[14], said there is no evidence to suggest that SNAP provides a shot in the arm to the economy.

“The money spent undoubtedly does generate a certain amount of activity, but the money needed to pay for that comes from taking money out of the economy, which deprives the economy of needed investments and spending,” Tanner said.

Even the Office of the Inspector General for the U.S. Department of Agriculture can’t prove the ARRA funding for SNAP achieved the goals of the stimulus package.

A [2013 audit](#) ^[15] could not evaluate the outcome because the performance measures developed by the USDA Food and Nutrition Service failed to properly gauge the implementation of the extra SNAP money.

“As a result, FNS had not assessed or reported on the use of the approximately \$45.5 billion in additional SNAP funds to show the American taxpayer, in terms of the established goals, what was received for the Recovery Act investments,” the report says.