NielsenIQ

New Administration Eyes SNAP Benefit Reductions

“The rising cost of food, which has increased by over 24% since 2021, is putting immense pressure on families who rely on SNAP benefits. With inflation continuing and new tariffs expected, the outlook is challenging. It’s essential to enhance communication and support for these households as they navigate these difficulties. Many SNAP users are already facing tough decisions at the grocery store, and further benefit cuts could mean they have to skip meals to make ends meet.” [4]

Chris Costagli

Vice President, Food Insights, NielsenIQ

“Facing a potential reduction in SNAP benefits, it’s important to consider the broader impact on both families and the retail sector. Last time benefits were reduced, we saw significant drops in spending across many categories, highlighting the ripple effect on the economy. With inflation still a major concern, another reduction in benefits could deepen these issues. The FMCG industry is hoping for a recovery, making it vital to develop strategies that support vulnerable populations and ensure business stability.”

Maria Maysonet

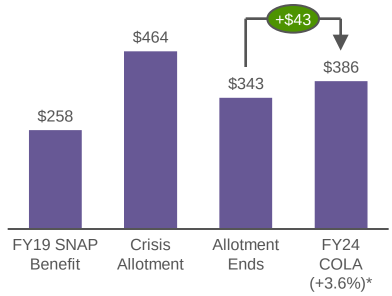
Insights Director NielsenIQ

NIQ Perspective: SNAP Benefits Understand Impact Of Benefit Changes

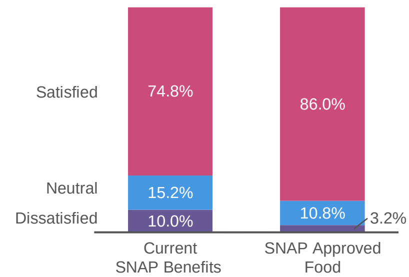
SNAP Reductions May Leave Many Unprepared

Only 40% of SNAP users are ‘very aware’ of proposed benefit changes, while 38% say they are unaware. Among those aware, 74% are concerned about limitations on food items in 2025. This indicates that many SNAP users may face challenges in adapting to potential restrictions.

AVERAGE MONTHLY HOUSEHOLD SNAP BENEFIT [1]



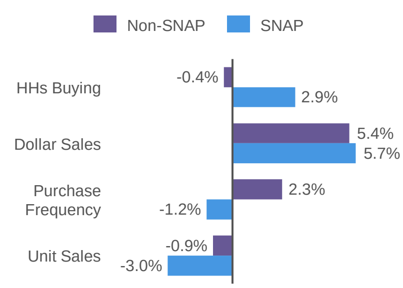
SATISFACTION WITH CURRENT SNAP BENEFITS & FOOD ITEMS THAT ARE SNAP APPROVED [2]



Benefit Cuts Leave SNAP Households Anxious About The Future

During the last SNAP benefit reduction in 2023, households reduced their purchase frequency and unit purchasing. Despite this, dollar sales increased due to inflationary pricing. With inflation continuing to drive prices up and tariffs looming, SNAP users are worried that further benefit reductions will leave them struggling to afford enough food.

% CHANGE VS. YEAR AGO WHEN SNAP BENEFIT CRISIS ALLOTMENT ENDED IN 2023 [3]



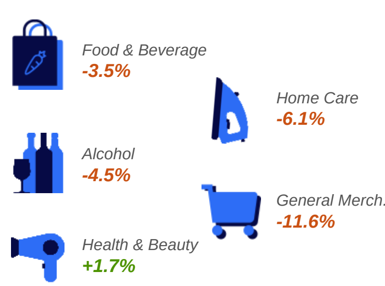
TOP 5 FOOD CONCERNS REGARDING POTENTIAL SNAP BENEFIT CHANGES IN 2025 [2]

1. Difficulty Affording Enough Food
2. Health & Wellbeing
3. Increased Food Insecurity
4. Budgeting Challenges
5. Access To Fresh Produce

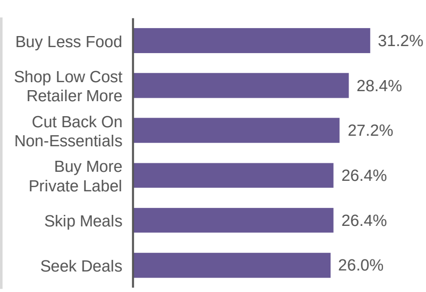
SNAP Households Face Harsh Choices Amid Benefit Cuts

A potential reduction in SNAP benefits impacts more than just food and beverages, as households prioritize essentials. Further cuts could lead to declines in categories like alcohol and general merchandise, with many SNAP users cutting back on non-essentials, searching harder for deals, and over one in four skipping meals altogether.

DEPARTMENT SALES CHANGE WHEN SNAP BENEFIT CRISIS ALLOTMENT ENDED IN 2023 [3]



PLANNED ADJUSTMENTS TO SHOPPING IF SNAP BENEFITS ARE REDUCED IN 2025 [2]



Industry Analysis Source: [1]Pew Research Center, What the data says about food stamps in the U.S., July 2023, [2]NIQ, BASES Quick Question Omnibus Survey, February 2025, n=1,003, [3]NIQ Homescan Panel SNAP Survey, Total Outlets 3/5/2023-7/22/2023, [4]NIQ, Retail Measurement Services, Total Food Including Fresh, Calendar Year 2021 Vs. 52 Weeks Ending 1/25/2025, Average Unit Price
* 2024 SNAP benefit cola adjustment ranged from 3.5%-3.7% depending on household size and income level.

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