



INDEPENDENT SUPERMARKETS IMPACT AMERICA

Independent Supermarkets are an important part of the food retailing industry. Together with warehouse stores, chain supermarkets and department stores, food retailers currently provide over 3.98 million jobs specifically dedicated to selling food products available via the Supplemental Nutrition Assistance Program (SNAP). These retailers together sell almost \$458.8 billion worth of food products, including \$56.6 billion to SNAP recipients, helping to ensure that families have the food they need. These sales alone create 529,288 jobs in the United States.



In the last Executive Budget, the Administration proposed shifting 40 percent of SNAP benefits from the current program, which provides recipients with cash benefits distributed using electronic benefits transfer (EBT) cards, to a complex home delivery system. This would involve so-called *Harvest Boxes* containing basic food products being sent directly to SNAP beneficiaries. This system would disrupt the 137,340 local food retailers in the country that have been serving their communities with an efficient food delivery system for decades.¹

Were this proposal to go into effect, American food retailers would effectively lose \$23.0 billion in sales. These local food retailers currently receive nearly 12.5 percent of their total food sales via SNAP EBT payments.² Table 1 below shows how these losses would break down by retailer type.

Table 1: Lost Sales for Food Retailers

Store Type	Number	Total Current Sales (\$ Million)	Lost SNAP Sales (\$ Million)
Supermarkets/Grocers	82,311	\$379,967.9	-\$19,749.4
Specialty Food Stores	22,017	\$16,677.4	-\$866.3
Warehouse Club*	1,665	\$51,262.6	-\$1,910.1
Department Stores	31,344	\$10,891.6	-\$499.6
Total	137,337	\$458,799.5	-\$23,025.4

* The Census data used for these figures do not include warehouse sales in many states due to disclosure requirements. These show as a zero in the analysis.

Were these sales to be shifted to a *Harvest Box* and disrupt the current system for delivering food to SNAP recipients, there would be tremendous impacts on American food retailers. Lost sales translate into lost jobs and opportunities for people ranging from cashiers, to stockers, to department managers, as well as lost sales for businesses in the country which supply retailers. All told, a reduction in SNAP benefits of 40 percent would lead to a loss of over 211,700 grocery retailing jobs, and a total of almost 368,500 job losses throughout the economy. Table 2 below outlines the economic impact of this potential reduction in SNAP benefits. The reduction in SNAP payments would lead to an overall economic loss of \$46.3 billion in economic activity in the United States.³

Table 2: Economic Impact of SNAP Reduction on the Food Retailing Industry

(\$ Millions)	Direct	Supplier ⁴	Induced	Total
Jobs	-211,715	-54,152	-102,625	-368,493
Wages	-\$11,113.91	-\$3,239.00	-\$5,464.52	-\$19,817.43
Economic Output	-\$18,375.27	-\$10,221.29	-\$17,699.71	-\$46,296.28

¹ Retailer numbers based on data from Infogroup. Infogroup, is the leading provider of business and consumer data for the top search engines and leading in-car navigation systems in North America. Infogroup gathers data from a variety of sources by sourcing, refining, matching, appending, filtering, and delivering the best quality data. The company verifies its data at the rate of almost 100,000 phone calls per day to ensure absolute accuracy.

² *Supplemental Nutrition Assistance Program: State Activity Report Fiscal Year 2016*, Food and Nutrition Service Supplemental Nutrition Assistance Program, Program Accountability and Administration Division, September 2017.

³ Based on data from The Food Retail Industry Economic Impact Study, Prepared for the Food Marketing Institute by John Dunham & Associates, April 14, 2017 <https://www.fmi.org/government-affairs/grocery-industry-economic-impact>

⁴ Supplier impacts represent suppliers of equipment and services to retailers. This does not include the economic impact of the production of food products sold in retail establishments.