

Alleviating Food Insecurity in Pennsylvania

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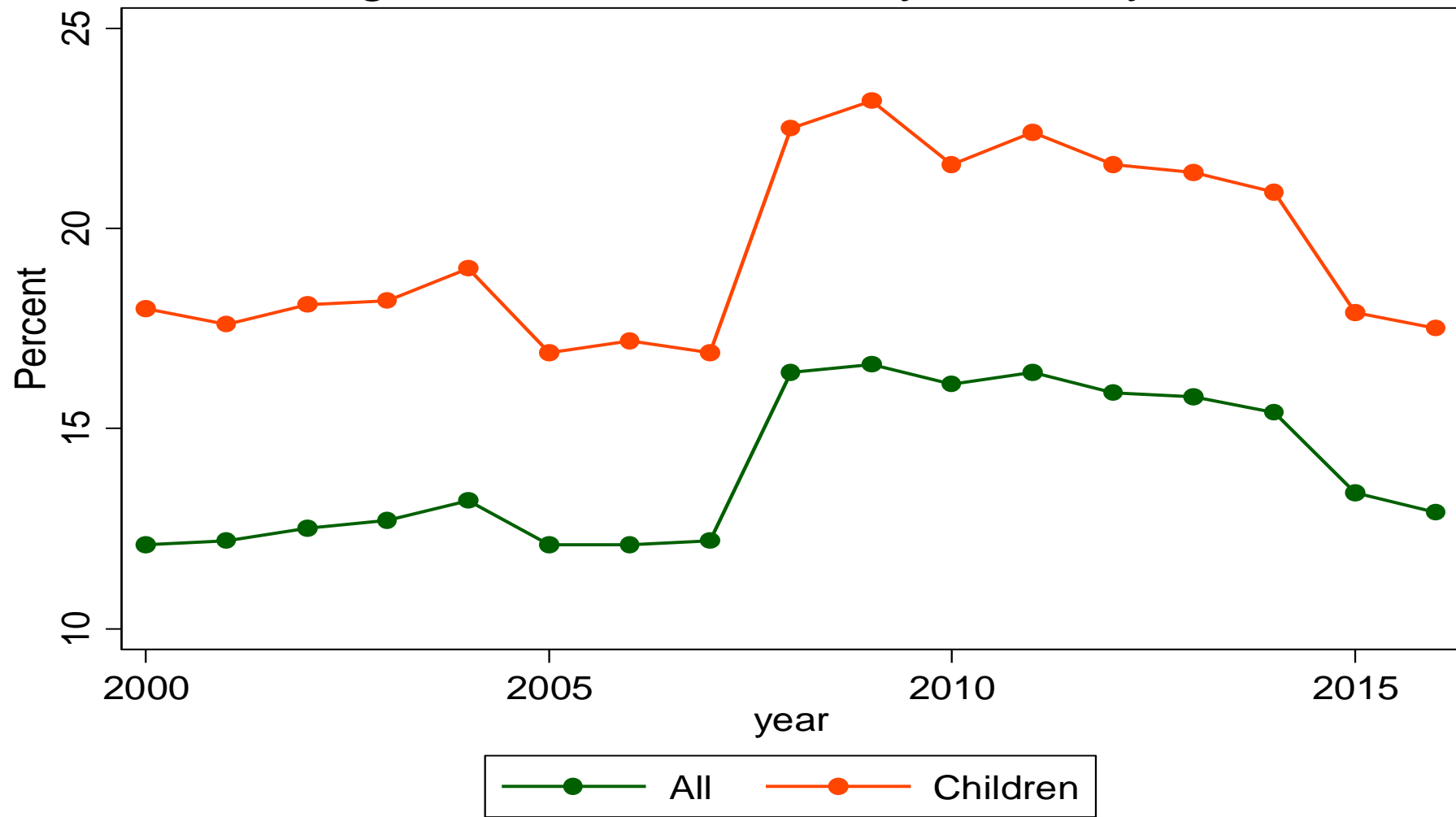
Soybean Industry Endowed Professor of Agricultural Strategy,
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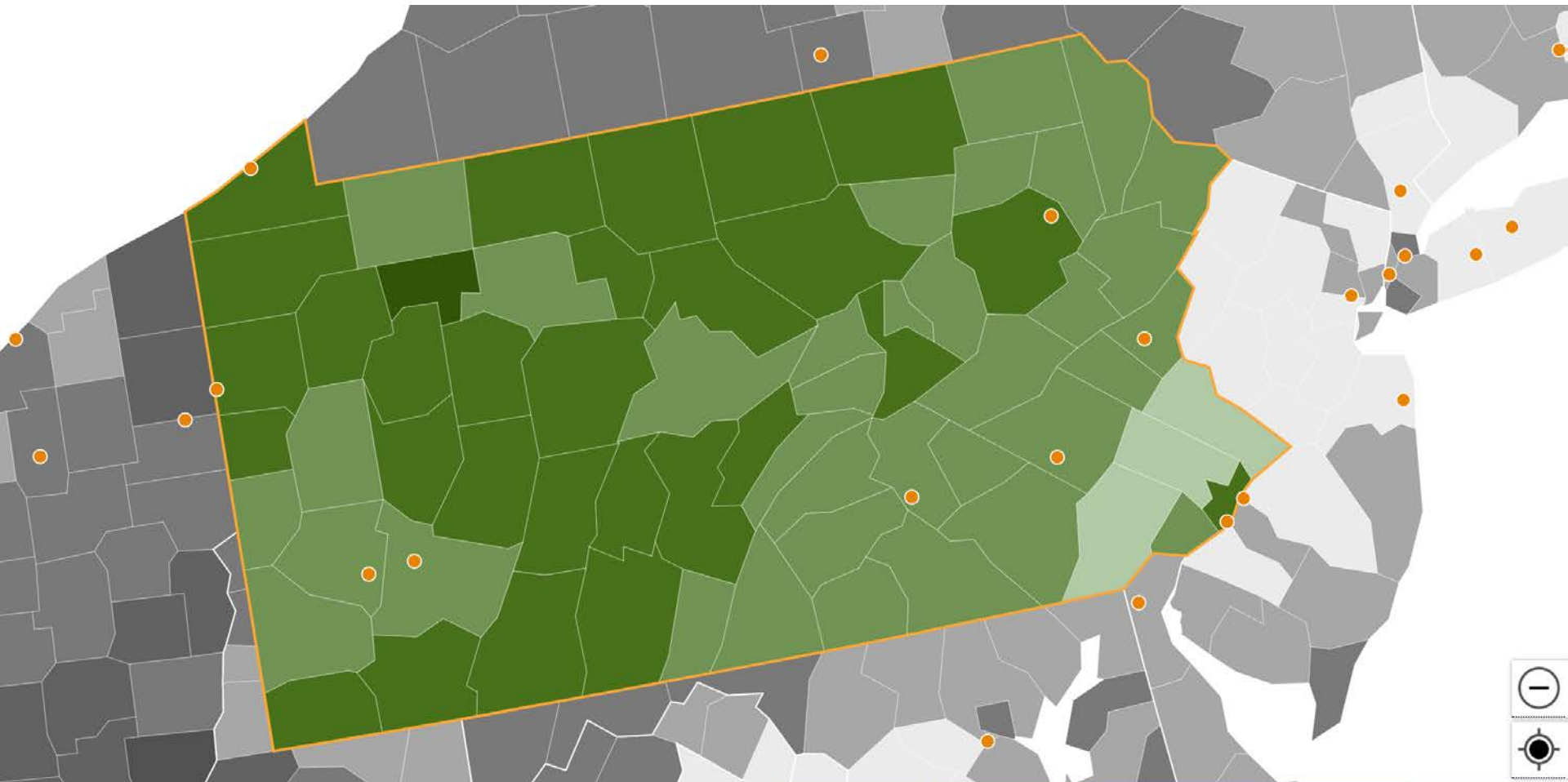


Defining Food Insecurity

- A household's food insecurity status is based on responses to 18 questions in the Core Food Security Module (CFSM)
- Examples of questions:
 - “I worried whether our food would run out before we got money to buy more”
 - “Did you or the other adults in your household ever cut the size of your meals or skip meals because there wasn't enough money for food”
 - “Were you ever hungry but did not eat because you couldn't afford enough food”
 - “Did a child in the household ever not eat for a full day because you couldn't afford enough food”
- Categories
 - food insecure if have 3 or more affirmative responses

Figure 1: Food Insecurity Rates by Year





Food Insecurity Rates

4-14%

15-19%

20-24%

25-29%

30% +



Health Consequences Associated with Food Insecurity

- Children

- birth defects
- anemia
- lower nutrient intakes
- cognitive problems
- aggression and anxiety
- being hospitalized
- being in poorer general health
- having asthma
- behavioral problems
- depression
- worse oral health

- Adults

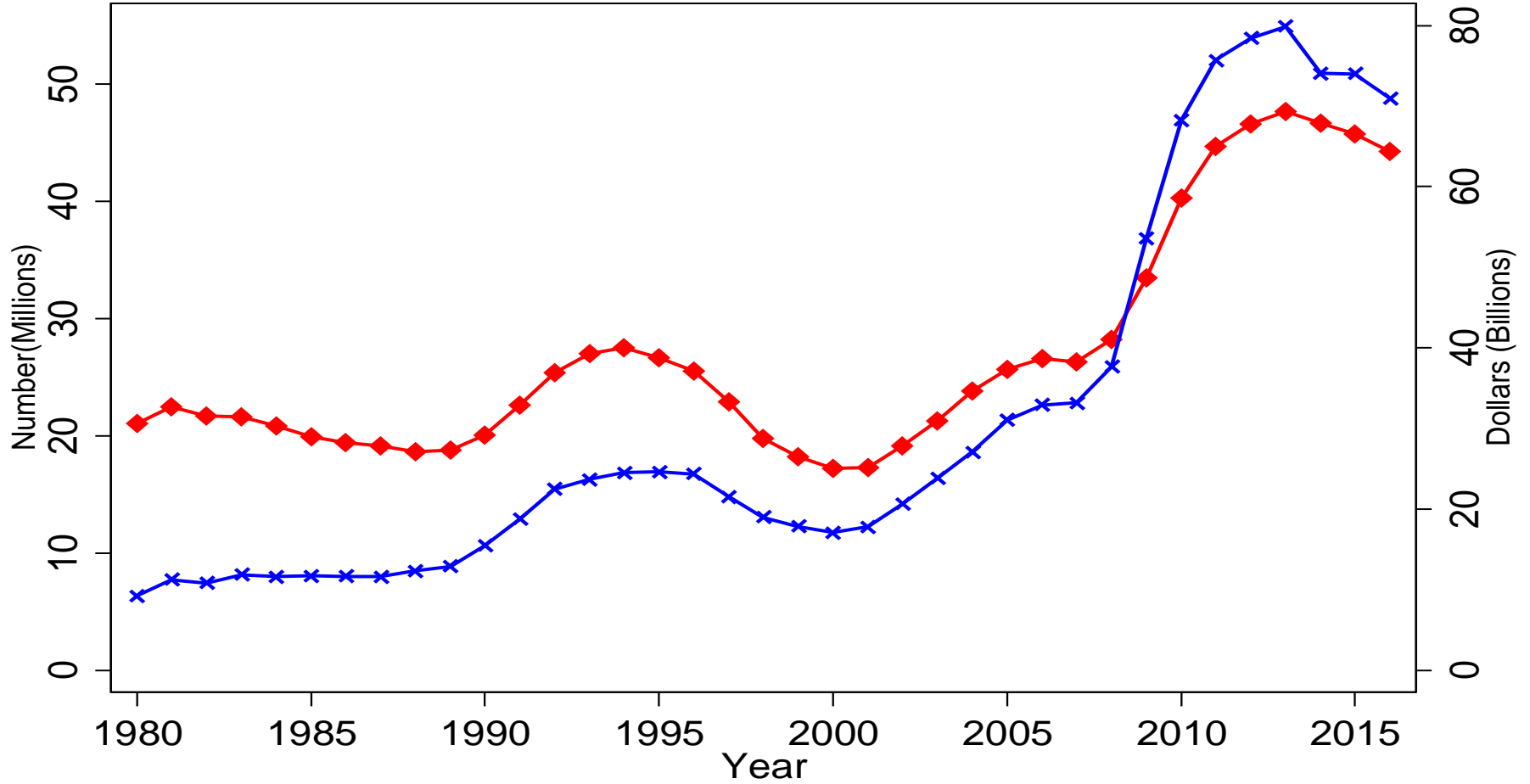
- lower nutrient intakes
- mental health problems
- diabetes
- hypertension
- hyperlipidemia
- poor outcomes on health exams
- being in poor or fair health
- poor sleep outcomes
- depression
- having limitations in activities of daily living

In comparison to fully food secure households, very low food secure households have 121% higher health care costs

Supplemental Nutrition Assistance Program (SNAP)

- Primary goal is to alleviate hunger
- USDA issues food stamps to families (via Electronic Benefit Transfer (EBT) cards) which can be used in retail food outlets
- Benefit levels
 - function of income and family size
 - maximum benefit level is \$688 for a family of four
 - average benefit level is about \$300 for a family of four
- Size of program
 - serves almost 42 million persons
 - total cost is about \$72 billion per year
- Eligibility criteria
 - gross income test
 - net income test
 - asset test

SNAP Participants and Expenditures



—◆— Number of SNAP Participants —×— SNAP Expenditures

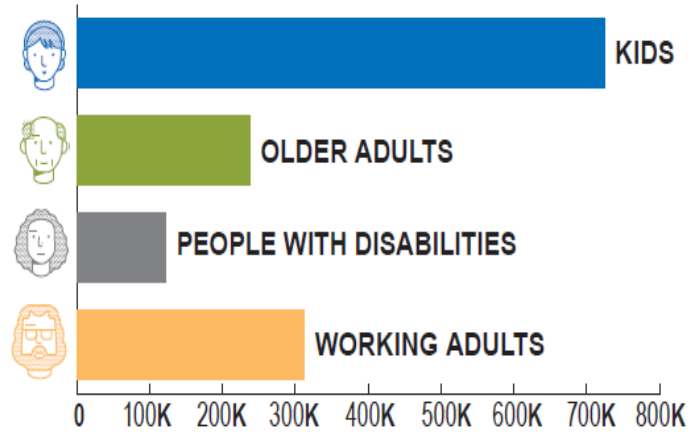
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)²

INDIVIDUALS RECEIVING SNAP VS NO. OF INDIVIDUALS WHO QUALIFY*



*estimated

SNAP POPULATION⁵ INCLUDES:



SNAP

- Does it reduce labor supply?
 - there are no “cliff effects”
 - no studies have found recipients work less
 - may want to reduce “tax” associated with SNAP benefit levels
- What is the extent of fraud in SNAP?
 - redeeming benefits for cash at retailers
 - very difficult to do with EBT system
 - most benefits redeemed at reputable retailers
 - selling benefits to others
 - have to give PIN to do this
 - more difficult to enforce
 - error rates in benefit distribution
 - less than 5 percent
 - need to recognize trade-offs with this
- Does it lead to increases in obesity?
 - after appropriately addressing selection into SNAP, best recent work finds no impact or even reductions in obesity

Measuring Depth of Need

“About how much more would you need to spend each week to buy just enough food to meet the needs of your household?”

Figure 1: Weekly Real and Nominal Per Capita Dollars Needed to be Food Secure



LEADI

What level of additional benefits would enable food security for SNAP households?

all households

~\$42

households with kids

~\$46

What level of SNAP benefits would enable food security for households near-eligible for SNAP?

all households

~\$31

households with kids

~\$40

Potential Impacts of Increases in SNAP Benefits

\$41 more per week for
SNAP households

~62%

reduction in
food insecurity



Cost \$27 billion

\$31 per week for
near-eligible households

~64%

reduction in
food insecurity



Cost \$22 billion

Key Threats to SNAP

- Block grants
- Restrictions
 - who participates
 - drug testing
 - work requirements
 - purchases

Restrictions in Purchases

- Direct consequences
 - Increased stigma
 - Patronizing
 - Increased food prices
 - Reductions in SNAP outlets
- Indirect consequences
 - Increased food insecurity
 - No change in obesity – perhaps increase
- SNAP is not like WIC
 - Nor do we want it to be
- Beware of “experiments”