

**Food Stamps:
Supporting Healthy Families and Communities in Washington**
Children's Alliance
August 2005

The federal Food Stamp Program (FSP), which was established as a pilot project in the early 1960s and was expanded nationwide in the early 1970s, helps low-income families and individuals purchase a nutritionally adequate diet. The Food Stamp Program is the nation's largest and most comprehensive nutrition program. Nationally, more than 25 million people use their electronic benefits card to purchase food from local retailers.

The Food Stamp Program, along with other federal nutrition programs has made hunger rare in the United States. In addition, numerous studies have shown that nutrition assistance programs improve birth outcomes and increase children's intake of key nutrients.

The Food Stamp Program, called the Basic Food Program in Washington, has helped thousands of families buy food and meet their nutritional needs. The FSP is an efficient program that is vital to reducing food insecurity (lack of adequate nutrition for an active, healthy life) and is targeted to those in the greatest need. Food stamp coupons have been replaced in Washington by an electronic debit card called a Quest Card – a move that has helped reduce fraud and stigma. Additionally, food stamp usage benefits the local economies in Washington. The American public overwhelmingly supports the Food Stamp Program.

Emergency food providers do critical work to help low-income people meet their nutritional needs, however they are not intended to be a family's primary source of food. When people who need food assistance are not getting it, they turn to emergency food providers, which increases demand on an already strained program.

As part of this year's federal budget agreement, the Senate and House Agriculture Committees must cut \$3 billion over five years in programs under their jurisdiction, which includes food stamps, agricultural subsidies, and conservation programs. The decision on how these cuts will be made by the House and Senate Agriculture Committees is expected no later than September 16, 2005. The basic structure of the Food Stamp Program is also threatened by two provisions of the House Temporary Assistance for Needy Families (TANF) Reauthorization Bill.

“The Food Stamp Program serves as the centerpiece and primary source of nutrition assistance for over 24 million low-income people. It enables participants, over 50 percent of whom are children, to improve their diets by increasing food purchasing power using benefits that are redeemed at retail grocery stores across the country.”

— President Bush's FY 2006 Budget

The Food Stamp Program has Made Severe Hunger Rare in America

In the late 1960s, a team of doctors documented serious hunger and malnutrition in the South, Appalachia, and other poor areas. The findings of this study, as well as other studies conducted at that time, formed the basis for the 1968 CBS television documentary “Hunger in America.” The documentary showed children suffering from diseases related to severe malnutrition that usually are thought of as occurring only in third-world countries.

After food stamps and other nutrition assistance programs were made available nationwide, a similar team of physicians returned to very poor areas of the United States and found marked reductions in malnutrition and related problems. Summarizing this and other research, Rebecca Blank, a noted economist and dean of the Ford School of Public Policy at the University of Michigan, observed that “evidence of severe malnutrition-related health problems has almost disappeared in this country. The primary reason is food stamps.”

A. The Food Stamp Program in Washington

The 2004 annual client survey of 2nd Harvest Inland Northwest in Spokane found that 56% of folks coming to the food bank for help worked during the past year. Nearly 60% of parents surveyed said they skipped meals so their children could eat; 27% skipped meals at least once a week. Nearly half of the individuals receiving help from the food bank were children.

For a growing number of low-wage workers, like the families described above, a job no longer guarantees that their family will have sufficient food. As increasing numbers of working families are unable to afford the basic necessities, the Food Stamp Program makes it possible for them to put food on the table.

- An estimated 276,000 households in Washington live with hunger or the threat of hunger, according to the U.S. Department of Agriculture. That amounts to 12 percent of all families and includes senior citizens living on fixed incomes and low-income working families that struggle to make ends meet.
- An estimated 520,401 Washingtonians use their food stamp benefits to buy food every month. That amounts to 7.3 percent of the people in the state.

- They receive, on average, 93 cents per person per meal, or \$251 to feed a family of three for a month. This modest amount is crucial to financially pressed families.
- The vast majority of these benefits — about 80 percent — go to households with children. Most of the remainder goes to households with elderly people or people with disabilities.
- Most food stamp households are extremely poor — almost 90 percent of food stamp households nationally have total household income under the poverty level. The rest have income slightly above the poverty level, but their basic expenses are high enough to make them eligible for a small benefit.
- The vast majority of food stamp households live on wages, social security, and SSI. Once these households pay their rent, utilities, and medical bills, little remains for food and other basic needs, like transportation and school supplies. Food Stamp Program data indicate that the number of households with children that are working is on the rise and exceeds the number that receive TANF-funded cash assistance.
- That number rose steadily until by FY 2004 an average of 453,500 people in the state received food stamps each month. That represents an increase of 54 percent. Still, only a little more than half of eligible people receive the assistance they are eligible for and need.
- The Food Stamp Program pumped \$455 million into the Washington economy last year, resulting in an estimated \$838 million of economic activity and benefiting farmers, grocers, and small businesses throughout the state.
- The Washington State Legislature understands the importance of the Food Stamp Program to low-income families in the state. In 2004 they passed the Act for Hungry Families which included a requirement that the Department of Social and Health Services implement simplified reporting for the program in 2004 and Transitional Food Assistance for families leaving TANF cash assistance in 2005.
- Washington has also adjusted vehicle asset limits and liquid asset limits in the program to more realistically fit working poor families. This adjustment – use of categorical eligibility for a TANF-funded service, is targeted in the Bush administration for a \$600 million cut. Reducing state flexibility to meet the needs of the working poor is a step back from recent program reforms that have increased access by needy families and reduced program errors.

B. Why Food Stamps are Vital for Vulnerable Washingtonians

1. Food Stamps are Vital to Reducing Food Insecurity

Thousands of vulnerable Washington residents find that their wages or Social Security are not enough to support their families. They just do not have enough money to cover rent, utilities, medicine and other basics, and still buy food.

While the Food Stamp Program has made severe hunger rare, it has not completely eliminated food insecurity. Food security is defined as “access by all people at all times to enough food for an active, healthy life.” It is measured by the USDA’s food security survey, which is administered annually by the Census Bureau. According to the most recent food security survey, 11.2 percent of households nationwide experienced food insecurity in 2003. A recent pediatricians’ report documented that “even mild to moderate under nutrition in young children is linked to problems that last throughout the lifespan.”

“All of us recognize the relationship of adequate nutrition and the ability of children to learn.”

— Senator Richard Lugar (R-IN), 8/3/89

However, the Food Stamp Program is vital in reducing the likelihood that participating families will be food insecure, and in ameliorating the harmful effects. In their report, the pediatricians found that infants and toddlers in families with reduced or terminated Food Stamp benefits are four-fifths more likely to be in food insecure households and more than two times as likely to experience child food insecurity. They warned that “reductions or losses of family Food Stamp benefits following potential federal funding cuts will exacerbate food insecurity for families with infants and toddlers. Medical data suggest that increased food insecurity will weaken the health of the nation’s youngest generation.”

2. Food Stamps are Targeted to Those with the Greatest Need

Ninety percent of the households that receive food stamps have incomes below the poverty line. More than a third of food stamp recipients have incomes below half of the poverty line — \$7,836 per year for a family of three.

Many factors affect eligibility including income, expenses and assets. Of these factors, income is the most influential. Income eligibility for the food stamp program is measured against the federal poverty level (FPL). Households with incomes up to 130 percent FPL (\$20,376 for a family of three) are eligible to apply for food stamps. As individuals move closer to the upper income limit, they will qualify for lower benefits. Therefore, very poor households receive more food stamps than households closer to the poverty line, significantly increasing their food purchasing power.

3. Food Stamps are Essential for Families Making Minimum Wage

Leaders from across the political spectrum agree that a family supported by a full-time, year-round worker should not have to be poor and should not have to raise its children in poverty. Even if one includes the Earned Income Tax Credit and does not subtract any work expenses except payroll taxes, a family of four headed by a full-time minimum-wage worker will fall far below the poverty line without food stamps. As Figure 1 shows, food stamps make it possible for this family to approach the poverty line.

Figure 1



Food stamps help ensure that families are financially better off working than on welfare. Studies of families leaving TANF (cash assistance) for employment have found that many work close to full time at very low wages. A typical welfare leaver (working 35 hours per week at \$6.50 per hour) is eligible for about \$200 a month in food stamps for a family of three. This can make the difference between independence and returning to welfare.

Many working families turn to food stamps to help them put food on the table for their families. Community volunteer organizations go a long way toward helping to ease hunger through donations and food banks, but their work can only go so far.

4. Food Stamps Help Vulnerable Washingtonians Buy Food

The Food Stamp Program increases the amount that low-income households spend on food and is designed to target the most assistance to those who need the most help. Studies have consistently found that participation in the Food Stamp Program significantly increases household food expenditures and thus the nutrients that are available to low-income households.

The Food Stamp Program is not restricted to specific subgroups of people. It serves a wide range of low-income people, including families with children, elderly people, and people with disabilities. About 80 percent of food stamp recipients live in households with children. Some 31 percent of households — nearly one-third — include elderly people or people with disabilities.

The benefit amount is lean. The average food stamp benefit is less than \$1 per person per meal. However, for the families receiving food stamps, the additional money for their food budget is critical.

5. Food Stamp Spending Benefits Local Economies

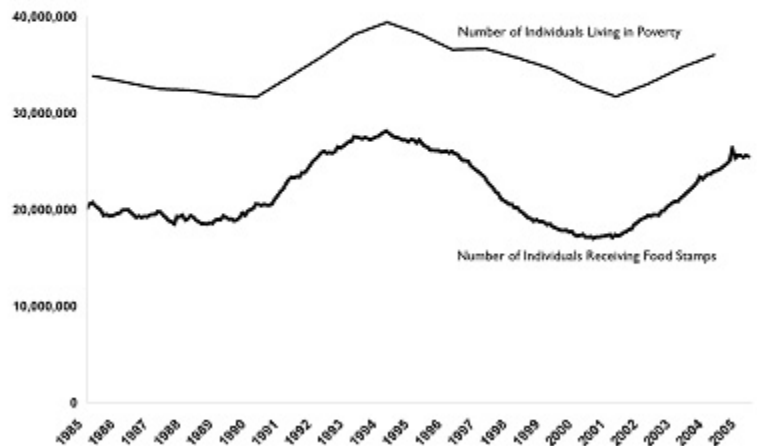
In addition to providing protection against economic risks for individuals and families, food stamps also provide a measure of countercyclical protection for the local and national economy. Because of its automatic response to increased need, food stamps help maintain overall demand for food during slow economic periods. This is important because when unemployment increases, consumption can decline (since people have less money to spend). That can create a negative cycle of increasing unemployment and declining economic activity. Food stamps stimulate the economy with an adequate infusion of federal dollars. Food Stamp Program participation begins increasing as recession hits, providing a counter-cyclical support for local businesses. A USDA study found that every \$5 of food stamps generates almost \$10 in total economic activity. These food purchases ripple through our economy, helping protect a range of jobs, from farmers to truckers to grocers.

This insurance function can be seen in the program's quick and effective response to the recent economic downturn, when an increasing number of people lacked the earnings necessary to adequately feed their families. As can be seen in Figure 2, the Food Stamp Program responds to declines in employment and increases in poverty by providing food assistance to a larger number of low-income families. Conversely, when the economy experienced robust growth in the late 1990s and the number of people who were poor fell, the number of people receiving food stamps also declined.

Figure 2

Food Stamps Respond to Poverty

When poverty increases, as it during the recession in the early 1990s and the recent economic downturn, more people need and get help purchasing groceries from the Food Stamp Program. As conditions improve, the number of people receiving food stamps declines.



6. The Food Stamp Program Delivers Benefits Very Efficiently

The Food Stamp Programs' error rate (the sum of overpayments and underpayments to recipients) is at an all-time low after falling for six consecutive years. More than 98 percent of food stamp benefits go to eligible households. By comparison, the Internal Revenue Service recently reported that taxpayers underpay their taxes by about 15 percent. In 2003, only four percent of food stamp benefits represented either overpayments to eligible households or payments to ineligible households

7. Many Eligible People Do Not Receive Benefits, Putting Pressure on Emergency Food Resources

An important measure of the success of any program is its ability to reach its target population. To assess how well the Food Stamp Program is reaching eligible people the United States Department of Agriculture, which administers the Food Stamp Program, measures the percentage of eligible people in the United States who actually participate in the program. In 2002, the most recent year for which data is available, the participation rate in Washington was 57 percent. That is, about 57 percent of eligible people received benefits. Rates of participation are lowest among eligible elderly adults and individuals in households with incomes above poverty, less than a third of whom participated

“In my view, the dramatic growth of the Food Stamp Program is probably the most important welfare change since the passage of the Social Security Act; Because whether we intend it or not, through the Food Stamp Program we do aid the working poor.”

— Former Senator Bob Dole (R-KS)

At the same time that large numbers of eligible people are not receiving the assistance for which they are eligible, local emergency food providers are overwhelmed by demand.

“Linda Hermann is watching provisions fly off the shelves at Franklin County food banks – an increase so rapid in the last year and she and others are concerned about filling the basic needs of the less fortunate. Overall, there has been an 88 percent increase for 2004 in the number of families coming for help for the first time and a 179 increase in the amount of pounds of food distributed countywide, said Hermann.”

The Franklin County story was part of a December 2004 news release from the Department of Community, Trade and Economic Development which stated that state food banks saw the highest number of visits ever in 2004, 6.4 million visits.

Increasingly, people rely on emergency food providers month after month, as their money runs out and they cannot afford to buy food. Emergency food providers fear that further limitations on the Food Stamp Program eligibility or benefits will overwhelm their ability to feed all those who turn to them for help.

*“At the Everett Food Bank and Snohomish County Food Distribution Center, we provide hungry families in our community with the nutritious foods they need to supplement their primary sources of food,” said Bill Humphreys, Director of Basic Needs Services for Volunteers of America Western Washington. “The foods we provide are supplemental to the Food Stamp Program, and are not intended to be any family’s primary source of nutritional foods. If the Food Stamp Program were to experience cuts, we **would not** have the capacity, either in terms of local funding or in product availability, to increase the amount of food families will need as they experience decreases in their food stamp resources. Without a strong and*

reliable Food Stamp Program, an increasing number of families with children will experience growing food insecurity. Community-based resources alone are simply not enough to meet the growing need.”

In a recent Everett Food Bank survey completed in May 2005, 55% (340 of 619 respondents) said in the month prior to completing the survey “they had to ration food in their home so that everyone in their household had something to eat, even though it was not enough to eat.” An additional 15% said “they had to send at least one family member to bed hungry.” And 35% said “they spent more than 60% of their household income to meet their housing needs” (rent and utility costs). This is an unacceptably high occurrence of food insecurity in our community. Cuts to the Food Stamp Program will only exacerbate this already painful reality for so many families in the Everett community.

While the Food Stamp Program has made great progress in recent years in improving access for working people and simplifying the application process, clearly more needs to be done to ensure that all people get the support they need to ensure that they have access to adequate, nutritious food.

8. The American People Strongly Support the Food Stamp Program

Two recent polls show that the American people strongly support the Food Stamp Program and oppose cuts to the program. A survey in three farm states (Iowa, Minnesota, and Kansas), which was conducted for the W.K. Kellogg Foundation, found that large majorities in each state opposed cuts to the food stamp program.

Another poll, conducted by the polling firm McLaughlin and Associates for the Alliance to End Hunger found that:

- Even in a tight budget year, 75 percent of American voters say the Food Stamp Program should be protected from cuts by the administration or Congress.
- Voters want our nation’s leaders to take action on hunger. 63 percent report that they feel the U.S. government is spending *much too little* on feeding hungry Americans.
- Ninety-two percent of voters want to see Congress continue to fund anti-hunger programs like food stamps.
- Seventy-eight percent of voters want to see Congress pass new legislation that strengthens hunger-fighting efforts of community groups and will commit Congress to cutting domestic hunger in half by 2010.

As pollster Jim McLaughlin put it, “This is an important issue for American voters. Americans care greatly about hunger and poverty in the U.S. and around the world.

National leaders working to do more for hungry people carry with them the support of a clear majority of Americans.”

Conclusion

Food Stamps are vital to hundreds of thousands of people in Washington, and across the country. Many families like those highlighted here rely on this nutrition assistance to help them provide adequate food for their families as they work hard to gain financial stability.

“No statistics, no rote recitation of facts and figures, no narrative or prose can describe the suffering of mind and body that associates itself with hunger and poverty in America. The fact that such conditions exist in America is both alarming and tragic. It should represent a blight on our collective consciousness.”

— Senator Tom Harkin (D-IA) 7/26/88

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Table 1: The Food Stamp Program in the United States

| | Number of Persons Participating ¹ | Percent of Population Receiving FS ² | Participation Rate ³ | Average Monthly Benefit Per Person ⁴ |
|----------------------|--|---|---------------------------------|---|
| Alabama | 533,982 | 11.0% | 53% | \$86 |
| Alaska | 58,934 | 7.5% | 62% | \$109 |
| Arizona | 547,671 | 9.2% | 53% | \$91 |
| Arkansas | 372,916 | 12.6% | 56% | \$83 |
| California | 1,996,754 | 5.2% | 49% | \$89 |
| Colorado | 242,306 | 5.3% | 45% | \$87 |
| Connecticut | 205,078 | 5.6% | 58% | \$84 |
| Delaware | 61,143 | 6.7% | 51% | \$85 |
| District of Columbia | 85,051 | 16.0% | 66% | \$92 |
| Florida | 1,249,673 | 6.9% | 44% | \$88 |
| Georgia | 913,301 | 9.8% | 54% | \$89 |
| Hawaii | 93,391 | 7.8% | 74% | \$128 |
| Idaho | 95,502 | 6.6% | 46% | \$83 |
| Illinois | 1,153,470 | 8.4% | 59% | \$94 |
| Indiana | 556,605 | 8.4% | 66% | \$87 |
| Iowa | 209,189 | 6.1% | 52% | \$82 |
| Kansas | 176,929 | 6.2% | 49% | \$78 |
| Kentucky | 569,180 | 13.1% | 67% | \$83 |
| Louisiana | 731,103 | 15.6% | 67% | \$89 |
| Maine | 153,654 | 10.8% | 64% | \$82 |
| Maryland | 287,225 | 4.9% | 48% | \$87 |
| Massachusetts | 361,990 | 5.2% | 39% | \$76 |
| Michigan | 1,057,950 | 9.3% | 65% | \$79 |
| Minnesota | 261,218 | 4.9% | 56% | \$84 |
| Mississippi | 379,911 | 13.0% | 56% | \$80 |
| Missouri | 766,325 | 12.2% | 69% | \$79 |
| Montana | 81,360 | 8.4% | 50% | \$85 |
| Nebraska | 117,290 | 6.5% | 54% | \$80 |
| Nevada | 121,260 | 5.2% | 42% | \$83 |
| New Hampshire | 53,104 | 3.7% | 46% | \$75 |
| New Jersey | 393,966 | 4.2% | 43% | \$85 |
| New Mexico | 240,497 | 11.7% | 55% | \$81 |
| New York | 1,772,242 | 8.3% | 50% | \$98 |
| North Carolina | 796,007 | 8.7% | 46% | \$84 |
| North Dakota | 42,917 | 6.5% | 51% | \$81 |
| Ohio | 1,023,603 | 8.3% | 56% | \$89 |
| Oklahoma | 419,493 | 11.7% | 58% | \$80 |
| Oregon | 430,995 | 11.7% | 81% | \$82 |
| Pennsylvania | 1,049,944 | 7.7% | 55% | \$81 |
| Rhode Island | 76,744 | 7.2% | 57% | \$79 |
| South Carolina | 519,706 | 11.8% | 59% | \$84 |
| South Dakota | 56,596 | 6.9% | 56% | \$84 |
| Tennessee | 839,269 | 13.7% | 66% | \$84 |
| Texas | 2,386,465 | 10.0% | 47% | \$85 |
| Utah | 134,586 | 5.2% | 43% | \$83 |
| Vermont | 45,041 | 6.9% | 60% | \$78 |
| Virginia | 489,284 | 6.5% | 52% | \$82 |

¹ May 2005 initial data as of July 25, 2005, online at <http://www.fns.usda.gov/pd/fslatest.htm>

² FSP participation, FY 2004: <http://www.fns.usda.gov/pd/fsfypart.htm>

³ FY2002: <http://www.fns.usda.gov/oane/MENU/Published/FSP/FILES/Participation/Reaching2002.pdf>

⁴ Per Person, FY 2004: <http://www.fns.usda.gov/pd/fsavgben.htm>

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|----------------------|-------------------|-------------|------------|-------------|
| Washington | 520,401 | 7.3% | 57% | \$84 |
| West Virginia | 261,917 | 14.1% | 72% | \$75 |
| Wisconsin | 349,270 | 5.9% | 55% | \$69 |
| Wyoming | 25,234 | 5.1% | 49% | \$81 |
| United States | 25,367,642 | 8.1% | 54% | \$86 |

Table 2: Food Insecurity in the United States⁵

| | Number of Insecure Households (Thousands) | Percent of Households that are Insecure |
|----------------------|--|--|
| Alabama | 226 | 13% |
| Alaska | 27 | 12% |
| Arizona | 241 | 12% |
| Arkansas | 165 | 16% |
| California | 1,539 | 12% |
| Colorado | 167 | 10% |
| Connecticut | 103 | 8% |
| Delaware | 21 | 7% |
| District of Columbia | 24 | 9% |
| Florida | 764 | 12% |
| Georgia | 417 | 13% |
| Hawaii | 41 | 10% |
| Idaho | 69 | 14% |
| Illinois | 378 | 8% |
| Indiana | 239 | 10% |
| Iowa | 111 | 10% |
| Kansas | 124 | 12% |
| Kentucky | 183 | 11% |
| Louisiana | 208 | 12% |
| Maine | 49 | 9% |
| Maryland | 161 | 8% |
| Massachusetts | 157 | 6% |
| Michigan | 400 | 10% |
| Minnesota | 136 | 7% |
| Mississippi | 160 | 15% |
| Missouri | 233 | 10% |
| Montana | 47 | 13% |
| Nebraska | 69 | 10% |
| Nevada | 71 | 9% |
| New Hampshire | 32 | 6% |
| New Jersey | 272 | 9% |
| New Mexico | 104 | 15% |
| New York | 719 | 10% |
| North Carolina | 436 | 14% |
| North Dakota | 18 | 7% |
| Ohio | 488 | 11% |
| Oklahoma | 195 | 14% |
| Oregon | 179 | 13% |
| Pennsylvania | 452 | 10% |
| Rhode Island | 45 | 11% |
| South Carolina | 214 | 14% |
| South Dakota | 26 | 9% |
| Tennessee | 250 | 11% |
| Texas | 1,163 | 15% |
| Utah | 108 | 15% |
| Vermont | 23 | 9% |
| Virginia | 238 | 8% |
| Washington | 276 | 12% |
| West Virginia | 67 | 9% |

⁵ Source: 2001-2003 Average: <http://www.ers.usda.gov/publications/fanrr42/fanrr42.pdf>

| | | |
|----------------------|---------------|------------|
| Wisconsin | 193 | 9% |
| Wyoming | 21 | 10% |
| United States | 12,050 | 11% |

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