

**Written Testimony of**  
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**For USDA Farm Bill Nutrition Forum**  
**New York City, September 29, 2005**  
  
**"A Plan to End Hunger in America"**

**Introduction**

Good morning, Mr. Undersecretary. I am Joel Berg, Executive Director of the New York City Coalition Against Hunger, an umbrella group for the more than 1,200 charitable food pantries and soup kitchens in New York City, most of which are faith-based.

First, I want to thank you, Under Secretary Bost, for your consistent and strong personal leadership in the fight against hunger. I also want to thank you for visiting New York City repeatedly to see soup kitchens, food stamp offices, farmers' markets, and food pantries with your own eyes. Thank you for holding this hearing to solicit our views. I hope you not only share them with Secretary Johanns, as well as with all 535 Members of Congress.

Second, I want to point out that it is significant we are meeting in a federal building named after Alexander Hamilton. After all, Hamilton, who is buried just a few blocks from here in the cemetery of historic Trinity Church, died in a duel. Although he was a former United States Secretary of Treasury, a confidante of the President of the United States, the founder of the *New York Post*, and one of the most distinguished citizens of the new republic, he died as a result of what was essentially a pointless feud because his posse was "dissed" by Aaron Burr's posse. In just the last few weeks, the editorial board of the very same *New York Post*, now published by an Australian-born billionaire, has published a number of editorials that support the belief of a very vocal but very small group of far-right-wing Americans that food stamp benefits are an evil form of welfare that somehow causes recipients to act irresponsibly. Such mean-spirited arguments often have a racial tinge, ignoring the reality that the largest number of food stamp recipients nationwide have always been white. These absurd arguments not only blame the victims of poverty and hunger for their misfortune, but overlook the vital role that food stamp benefits play in helping families leave welfare and move towards long-term economic self-sufficiency. Thus, we can all relish the irony of how a newspaper founded by a man who died in a gang shoot-out is lecturing the populace on "personal responsibility." Likewise, we can relish the irony that today's Congressional leadership -- who racked-up record deficits by giving ever-more tax cuts to the mega-rich and going on a pork-barrel spending spree of historic proportions -- is still claiming that they may need to further cut programs for the lowest-income Americans to prove their fiscal responsibility.

Third, because we are so close to the Ground Zero of September 11th, I believe it is also vital to point out that New York City today is a sort of Ground Zero for the failures of the economic and social policies of the federal, state, and local governments. Make no mistake about it – similar ground zeros of failed economic and social polices exist in Appalachia, Detroit, the U.S./Mexico Borderlands, and Philadelphia. They exist even in the shadow of the White House and the USDA headquarters in Washington, DC. They exist even in the formerly middle class suburban village of Spring Valley, New York, where I grew up, just 30 miles or so north of here. And yes, they existed in the Gulf Coast before Katrina, and exist there today. Given that the U.S. has historically had higher levels of poverty, hunger, and food insecurity than any other industrialized country -- and that each of these has increased over the last four years -- it is clear that ground zeros of governmental failures exist in thousands of urban, rural, and suburban communities throughout America.

### **New York City - A “Ground Zero” of Governmental Failures**

Permit me to focus on the failures closest to us, here in New York City. With a 100,000-person increase in poverty here in 2004 alone, more than 1.8 million New Yorkers – more than one in five -- now live below the meager federal poverty line. If you considered the actual costs of living in New York, the poverty rate would be far higher.

Despite the hype about a so-called economic recovery, according to a recent report by the Community Service Society, the percentage of New Yorkers ages 18-64 who had no work at all over the course of a year rose from 27.6 percent in 2000/1999 to 30.6 percent in 2004/2003. Thus, almost a third of adults are jobless. If that’s a recovery, I’d hate to see what the government labels as a recession.

According to the same report, for New York City workers in the bottom third of the wage scale, between the 2000/1999 time period and the 2004/2003 time period, annual earnings actually *fell* by 5.2 percent and hourly wages *declined* by 6.5 percent. Of course, executive pay again skyrocketed, despite stagnant corporate profits.

These local statistics track with national trends. According to United for a Fair Economy, the ratio of average CEO pay (now \$11.8 million) to worker pay (now \$27,460) spiked up from 301-to-1 in 2003 to and astonishing 431-to-1 in 2004.

It used to be said that a “rising economic tide lifts all boats.” Now it is more accurate to say that the rising tide lifts the yachts but actually sinks the rowboats in its wake.

Additionally, while welfare caseloads are continuing to decline here, there is increasing evidence that gaping deficiencies in welfare reform are moving more and more former recipients into deepening poverty and homelessness than towards living wage jobs or economic self-sufficiency.

In a recent press release, Mayor Michael Bloomberg’s office said: “The number of New Yorkers receiving public assistance fell by over 80,000 from Fiscal 2001 to Fiscal 2005, a drop of 16%. Because those still receiving assistance over this period have significant barriers to employment, the number of recipients placed in employment fell by 37%. However, the proportion of those placed in jobs that kept them for at least six months rose from 63% in Fiscal 2002 to 75% in Fiscal 2005.”

The key statistic out of that is that the number of welfare recipients obtaining employment dropped by more than a third during the last four years. The Mayor's office claims that decline is because some of the people remaining on the rolls have "significant barriers to employment," which has some truth to it, but that is hardly the only reason for such a massive drop in job placements.

It is also useful to examine the true meaning of the claim that "the proportion of those placed in jobs that kept them for at least six months rose from 63% in Fiscal 2002 to 75% in Fiscal 2005." In FY01, 141.1 thousand people were placed in jobs, compared to 88.7 thousand in FY05. This is a 52.4 thousand-person drop. Consequently, while the 6-month job retention rate for those who did get jobs rose from 63% to 75%, that means that the 63% was of 141.1 thousand people, while the 75% was of only 88.7 thousand people. Thus, in reality, the number of welfare recipients who got jobs *and* kept them for six months *dropped* from 88.89 thousand in FY01 to 66.53 thousand in FY05, a 25% drop. When you really look at the math, the supposed jump in job retention masks yet another failure of the current City, State, and Federal welfare reform policies.

Moreover, during the last four years, in which hourly wages fell by 6.5 percent for the bottom third of the workforce, housing prices increased by 16 percent in the New York Metropolitan area, according to the federal Bureau of Labor Statistics.

It is no wonder that New York City now has its highest levels in modern history of people forced to use homeless shelters, soup kitchens, and food pantries. This is a clear failure of public policy.

Even before September 11, more than 1 million low-income New Yorkers were forced to use food pantries and soup kitchens. According to the New York City Coalition Against Hunger's comprehensive annual survey of local hunger, the number of people fed at the city's pantries and kitchens rose by 48 percent from 2000 to 2003. That number rose an additional 9 percent from 2003 to 2004.

Fully 81 percent of city agencies said they faced increased demand for food in 2004, with 52 percent saying the demand had increased "greatly." The fastest-growing population of people served at these agencies is comprised of people working at or near minimum-wage salaries. The number of low-wage working people being fed at pantries and kitchens is now at record levels.

Yet, in the last year, only 22 percent of agencies obtained more food and funding, only 15 percent hired more staff, and only 27 percent obtained more volunteers. In fact, more than twice as many agencies faced cuts in food and money as obtained increases.

This "food distribution resources gap" forced a record 48 agencies to shut down entirely, forcing their clients to either go hungry or look elsewhere for food this year. Of the agencies that were able to stay in business, limited resources forced more than half (53%) to ration their food by either turning away hungry New Yorkers, reducing portion size, and/or cutting hours of operation – a 20% increase since 2002 in the number of agencies forced to ration food.

The most obvious response to this crisis is to help more New Yorkers obtain food stamps and other federal nutrition assistance programs.

## **City-Imposed Barriers Discourage Participation in USDA Nutrition Assistance Program**

To add insult to injury, the City of New York continues to put unnecessarily barriers in the way of access to USDA nutrition assistance program.

It is true that New York City has made some limited progress regarding participation in the Food Stamp Program; participation in August (1,066,837 people) was 268,441 people (34%) higher than when Mayor Bloomberg took office in January of 2002.

Yet, the City still treats all-too-many low-income New Yorkers seeking help as if their poverty is a crime.

Most New Yorkers applying for food stamp benefits – even for benefits as low as \$10 per month -- are still forced to provide finger images, a technique developed by the criminal justice system, even though middle class and wealthy New Yorkers who apply for government benefits – including benefits that could total millions of dollars – face no such humiliating requirement.

Unemployed adults without children who are looking for work are denied food stamp benefits after three months simply because no jobs exist for them.

People with disabilities are forced to physically go to government food stamp offices just to deliver paperwork proving they are unable to go to food stamp offices.

Working people are forced to leave their jobs – usually losing a day's wages -- to go to a food stamp office to prove they are working.

And for nearly one in ten eligible families, when they apply for food stamp benefits, they are forced to wait longer than the 30 days mandated by federal law to obtain their benefits.

It is no wonder that 1,243 fewer people in New York City received food stamp benefits this August than this July. It is no wonder that participation has declined in four of the last five months, despite the growing poverty, hunger, and food insecurity here. And it is no wonder that program participation is still a whopping 391,463 people (27%) *lower* than it was at the time of peak participation in March of 1995.

To make matters even worse, the City's participation rate in the Women, Infants, and Children (WIC), School Breakfast, School Lunch, and Summer Meals Programs are all below the participation rates statewide and nationwide. It is no wonder that the number of children forced to rely upon soup kitchen and food pantry meals is soaring.

I have purposely used the phrase "it is no wonder" repeatedly because I don't want anyone to think any of these trends are a surprise. These trends have been happening for years and we've been decrying them for years. It is time to reverse them.

## **It Will Take a Bold New Course to End Hunger In America**

The good news is that we *can* end hunger in New York City and America. In the 1970's, when wages for the lowest income workers were more robust and when the safety net of anti-poverty programs more fully met the need of low-income Americans, we almost *did* wipe out hunger in America.

However, in order to end hunger in America, it won't be good enough to simply make incremental changes in the status quo, as we usually do every five years with new farm bills.

We need a fundamental re-thinking of federal nutrition assistance programs, and of how they interact with each other and with other federal anti-poverty programs.

And we must do more than simply provide more money to these programs. We must simplify them, better coordinate them with each other, and propose other programs to be cut in order to pay for them. We must ensure that all federal nutritional assistance efforts honor work; empower low-income families to take charge of their futures; strengthen families (no matter how people define them); reward ambition; and ensure that when people do act "responsibly," they are aided, not hindered, by program rules. This will take far more than money.

I am certainly all-too-aware of why hunger advocates are often afraid to propose such sweeping changes. To be frank, we are afraid -- with good reason -- that if we open up debate on nutrition programs *too* much, conservative elements in Washington will use that as an opening to impose even more damage on these programs.

Still, I think it is the right thing to do to offer sweeping improvements. First, those of us who have a vision of ending hunger in America need big ideas around which to rally. Second, it is a cliché, but also a truism, that the best defense is an offense. Third, we must recognize that, while federal nutrition assistance programs have provided an absolutely vital service over the last few decades in all-but-wiping-out severe, Third-World-style, hunger in America, they have not been as successful as we would have liked in helping Americans -- and particularly working Americans -- move out of poverty. So, despite the risks, I do think we need to propose bold changes.

We have to be equally clear that ending hunger *will* require additional federal spending on nutrition assistance programs. Yet such additional spending will ultimately be incredibly cost-effective, boosting work productivity, bolstering educational improvements, and reducing health care spending.

Thus, it is absolutely outrageous that the U.S. Congress is still considering large-scale cuts in the Food Stamp Program.

Given that increasing numbers of Americans are suffering from hunger, poverty, and natural disasters, overall spending for anti-poverty and anti-hunger programs should obviously increase. As bad as it was to consider cuts in these programs "pre-Katrina," it is unconscionable now.

Let us be honest with ourselves: the proposed cuts in the Food Stamp Program have nothing to do with wise public policy. The issue is purely of who in America has political power and who doesn't. Even former Senator Bob Dole pointed out that one of the reasons that federal nutrition assistance programs don't obtain more support from Congress is that "hungry people don't have a PAC." Thus, the only way to get Congress to actually enact the kind of large-scale changes I propose is to ensure that the tens of millions of Americans facing hunger or the threat of hunger band together as a political force to demand that their elected officials forcefully and concretely address these issues.

### **Specific Steps the Next Farm Bill Can Take to End Hunger in America**

Permit me to suggest 16 improvements in the next Farm Bill. Taken together, these changes would not only wipe out most hunger in America, but would even start reversing the growing hunger in the developing world, particularly in Sub-Saharan Africa:

1) **Re-name the Food Stamp Program into the "Food Empowerment Account (FEA) Program" and ensure that eligibility for this new program is expanded, simplified, and harmonized with other federal nutrition assistance programs.** Under current federal law, families must earn below 130% of the poverty line to get food stamps benefits; below 185% of the poverty line to obtain WIC benefits; below 130% of the poverty line to get free school meals; and below 185% of the poverty line to obtain reduced-price school meals. These conflicting guidelines result in both increased government bureaucracy and decreased access to food. Eligibility for all these programs should be set at 185% of the poverty line, creating the new FCA Program. There should be one brief, standard federal application for FCA benefits, which any American should be able to easily complete on-line. Not only would this reduce government paperwork and bureaucracy, it would dramatically increase the amount of nutrition provided to low-income families, particularly working families.

2) **The Food Stamp Program should do a better job of paying for actual food costs.** The minimum benefit should be raised from \$10 to \$50 per month. This would likely result in a significant participation increase among senior citizens. Monthly benefit amounts should be calculated using the USDA "Moderate" Food Plan rather than the current practice of using the "Thrifty" Food Plan. This would make it more likely that benefits would actually last families a full month.

3) **Application and fraud-detection procedures in USDA nutrition assistance programs should be no more onerous than those for USDA farm support and rural development programs.** For instance, given that federal law prohibits USDA from finger-printing farm owners who may receive literally millions of dollars of USDA funding for their corporate agriculture operations, federal law should also prohibit states and localities from finger-printing people who apply for USDA food stamps benefits, which can be as low as \$120 for an entire year. Not only do such procedures reduce program access, they cost states far more to administer than they ever save in fraud-prevention.

4) **The performance of states and localities in issuing food stamp benefits should no longer be assessed primarily on so-called error rates; rather, performance should be assessed on success in a) increasing the percentage of eligible people participating and b) decreasing levels of hunger and food insecurity.** Success should be judged on whether real people have been helped in meaningful ways, not upon whether government offices fill out paperwork correctly. The federal government should increase the administrative funds available to states and localities over the next few years to properly administer this program, and fully fund technology improvements, thereby reducing the long-term need for administrative funding.

5) **The Food Stamp Program should better serve working families.** The \$2,000 asset limit should be dropped entirely; but if that is not politically possible this year, at least it should be scaled up considerably for working families. The current limit actually *penalizes* families for saving money in order to try to enter the middle class. EITC refunds are currently excluded from asset limits for only one calendar year; they should be excluded permanently. Transitional food stamp benefits, which are now supposed to be automatically provided to former welfare recipients for five months, should be provided for at least twelve months.

6) **States and counties should also be more directly required to eliminate face-to-face office visits – for both original application and re-certification visits – for a wide variety of people who are working, have disabilities, or otherwise have difficulty reaching an office.** This would save taxpayer funds and increase access. Re-certification should become a much more routine and easy procedure conducted mostly by mail, as most states now do for unemployment compensation.

7) **The Food Stamp Program should more realistically consider the status of young people living with their families.** The program should all allow participants under age 22 who have children and who are living with their parents to apply separately from their parents; the current requirement of applying together results in undue hardship for grandparents and young military families. Additionally, the Program should exclude from household income reporting all income earned by members age 18 and under if in school at least half-time; income from children under 18 should not count against household eligibility.

8) **The eligibility of VISTA\*AmeriCorps national service participants for food stamp benefits should be harmonized with the eligibility of other AmeriCorps national service participants.** Currently, people who selflessly answer President Bush's call to perform national service by joining the VISTA AmeriCorps Program are likely to have their meager stipends count against them if they apply for food stamps; yet for other AmeriCorps Members, their entire stipends are disregarded for this purpose. Federal law should be changed to end the discrimination against VISTA participants.

9) **USDA should have more authority to directly sanction – with significant financial penalties – states and counties that violate provisions of federal law designed to increase access.** For instance, for years, New York City has routinely violated the requirement that all food stamp applicants have their eligibility determined within 30 days of their original application, yet the City has faced no penalty.

10) **USDA should have more authority – and funding – to help states, localities, and nonprofit groups to increase the usage of food stamp, WIC, and senior farmers' market benefits at farmers' markets, roadside farm stands, community-supported agriculture (CSA) projects, and food-producing community gardens.** USDA should make it easier to allow state farmers' market associations to apply for food stamp authorization on behalf of member markets. These steps would improve nutrition and decrease obesity.

11) **Food Stamp recipients should have more flexibility to utilize their benefits to purchase prepared and hot food.** Especially since federal policy encourages an ever-growing number of food stamp recipients to be employed, it is entirely counter-productive to also require them to spend significant amounts of time preparing food.

12) **The federal government should reject any suggestions to limit the food choices of food stamp recipients.** Increasing the availability -- and reducing the costs -- of nutritious food will do far more to reduce obesity than would the government treating food stamps recipients like children by telling them what food they can or can't buy.

13) **USDA should expand both the number of eligible participants and the average benefit size in both the WIC and Senior Farmers' Market Programs, and change both of these into entitlement programs with independent sources of funding.** This would aid small farmers while improving nutrition in low-income communities.

14) **The Emergency Food Assistance Program (TEFAP) should have both its food budget and its administrative budget dramatically increased, while increasing the flexibility for how both pots of funding are used.** All USDA bonus buys should go solely to emergency feeding programs and the types of products purchased should be based on nutritional needs, not on market surpluses or political influence. All packaged food purchased with TEFAP should be required to contain information about applying to federal nutrition assistance programs. A specific portion of administrative dollars should be allocated directly for food banks, but another portion should be allocated directly to front-line food

pantries and soup kitchens, most of which are faith based. Food banks, pantries, and kitchens should have the option to purchase food directly from small and medium-sized farms, as well as from local micro-enterprises, instead of being forced to accept only commodities provided by USDA. There should be more flexibility in the use of administrative funds, making it clear that such funds can be used for the picking, gleaning, collecting, packing, packaging, transporting, sorting, and processing of donated foods (including game), as well as for tracking clients and conducting benefits outreach.

**15) The new Farm Bill should increase the ability of the USDA Community Food Project (CFP) Grant Program to fund projects that combine increasing participation in federal nutrition assistance programs with strengthening local and regional food systems.** Relatively small-scale pilot programs such as the CFP Grant Program must be integrated in a cooperative manner with larger nutrition programs.

**16) As for the other titles of the Farm Bill, farm programs should be entirely re-designed so that they shift away from their current focus on providing corporate welfare to huge agribusinesses. Instead they should better: support small farmers; aid conservation; advance the production of nutritious foods; reduce levels of international hunger; and bolster community food security.** International aid food programs should shift their current focus from giving agribusinesses a way to dump their surplus products – a process that often increases long-term hunger by demolishing local markets – and instead aid long-term local agricultural development and marketing.

### **Conclusion: We Can Afford to End Hunger**

**All the additional spending proposed above could be more than paid for by:**

- **reducing bureaucracy by simplifying and harmonizing eligibility for nutrition programs;**
- **canceling additional tax cuts for the rich;**
- **ending corporate welfare, particularly in the Farm Bill; and**
- **rescinding unnecessary pork-barrel projects added by Congress to the most recent transportation bill.**

Thus, the Bush Administration and the United States Congress can easily afford to use the next Farm Bill to end hunger if this is made a top policy priority. It is the reverse outcome -- allowing poverty, hunger, and food insecurity to continue to increase -- that we *cannot* afford. This outcome would reduce our worker productivity, hamper welfare reform, harm student educational achievement, increase long-term health care spending, and erode Americas' moral standing in the world. If we truly want to bring Americans together, and honor both the memory and the lessons of September 11 and Hurricane Katrina, nothing would be more appropriate than making a bi-partisan national commitment to finally ending domestic hunger. We have the know-how and we have the money necessary to reach this goal. Together we can make it happen. Thank you.