

**IMPROVING THE FOOD STAMP PROGRAM
TO ACHIEVE GREATER GAINS FOR
CHILDREN'S NUTRITION AND HEALTH**

Submitted to:

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Chairman Baca and Members of the Subcommittee, thank you for the opportunity to testify here today.

I am Jim Weill, President of the Food Research and Action Center (“FRAC”). The Food Research and Action Center has been working for 37 years to reduce and eventually end hunger in this country. Through research, policy advocacy, outreach, public education, and training and technical assistance for state and local advocates, public agencies, officials and providers, we seek to strengthen public nutrition programs and have them reach many more people in need.

FRAC has been instrumental in helping to launch, improve and expand the food stamp, WIC, school breakfast, summer food and other nutrition programs.

Today’s topic is extremely important. The Food Stamp Program is a very strong and successful program – the nation’s most important bulwark against hunger. The program is essential to the basic well-being of millions of Americans, including the nutrition and health of children, but needs to be strengthened further. My testimony will discuss: first the reasons that the program is so successful; then its important positive impact on children’s nutrition and health; and third, key ways in which it needs to be improved.

Even as the economy has grown year after year, lower-income Americans have received a shrinking share of the economic pie, losing out both relatively (compared to high-income groups) and absolutely (compared to the cost of living). Incomes typically have lagged growing health, housing and energy costs. Poverty, food insecurity, and similar problems caused by inadequate wages and economic supports generally have increased. The number of people living in poverty rose from 31.6 million in 2000 to 37 million in 2005. The number of people living in households facing food insecurity – the government phrase for families without the resources to feed themselves enough, or unable for economic reasons to purchase a healthy diet, or otherwise struggling with hunger – rose from 31 million in 1999 to 38.2 million in 2004, and then fell to 35.1 million in 2005, still well above 1999 levels (2006 data are not yet available). More than 12 million children live in food insecure households.

There are many heartbreaking stories those of us on this panel could tell about individuals and families struggling against hunger, stories whose poignancy merely grows when we think of our nation’s extraordinary abundance. The one I keep coming back to in my mind involves a mother standing on a seemingly endless line of 896 people waiting outside a food bank in rural southeastern Ohio, as reported by the TV show 60 Minutes a couple of years ago. She explained to the reporter that she bought whole milk and cut it with an equal part of water: “It makes milk last longer. Because the baby...needs milk.” When asked what her dream in life was, this rural Ohio mother in our rich twenty-first century America said that it was to feed her baby undiluted milk.

A stronger Food Stamp Program could fulfill that dream. We should not have to explain to this mother and millions like her that, even as the economy grows, the needed program

improvements can't happen and, indeed, food stamp benefits will continue to be reduced further each year because of a law Congress passed in 1996.

As a nation, we can do better.

I. Food Stamps and Low-Income Americans.

The Food Stamp Program is the government's first line of defense against hunger and food insecurity, and a key factor in bolstering family economic success, ameliorating poverty and improving nutrition and health.

For many low-income people, food stamps are the critical lifeline – a source of basic income as fundamentally important as Social Security is to seniors. Indeed, in the 1980s then-Senator Robert Dole described the program as the most important advance in America's social programs since the creation of Social Security. Food stamp benefits lift the incomes of 2.2 million Americans/year above the poverty line. Food stamp benefits are the single most effective program in lifting children out of extreme poverty (defined as family income below 50 percent of the poverty line). Families with earnings from low-wage work are heavily reliant on food stamps. For example, at the earnings level of a family of four with one full-time minimum wage worker, food stamp benefits are about \$5,000 and the Earned Income Tax Credit is \$4,100. As cash welfare eligibility has shrunk and more and more people have entered the workforce, but at low wages, moreover, there has been a sharp increase in the proportion of food stamp households with work income, as opposed to welfare.

The program has a range of other policy and political strengths that have been key to its growing success over the years:

- An initiative that began with bipartisan support in the 1960s and 1970s, with early champions like Senators Robert Dole and George McGovern and then Representatives Bill Emerson and Mickey Leland, has continued to receive an extraordinary level of support from members of both parties. There also is considerable state and local official support, again from officeholders in both parties.
- President Bush's Department of Agriculture has been a positive force since 2001 in increasing the access of eligible people to the program. President Bush's support in 2002 of eligibility for legal immigrants and better access for working families was an important factor in the steps forward made that year.
- Polls show that Americans care deeply about eliminating hunger in this country, feel that not enough is being done in that regard, and want greater government efforts.
- The continuing entitlement nature of the program has made it flexible and responsive to changes in economic conditions (whether local or national) and to

emergencies. The Food Stamp Program stood out among federal programs after Katrina for its very fast and effective response to the needs of hundreds of thousands of families on the Gulf Coast.

- The replacement of food stamp coupons by electronic benefits cards and other initiatives have reduced errors and fraud (more than 98 percent of benefits go to eligible households), and made the use of program benefits at the checkout lane much less visible, thereby reducing the stigma of participation.
- In a time of growing insecurity and growing economic volatility for low-income families - - more changes in employment and wages - - the entitlement nature of food stamps, the national benefit structure (with benefit amounts inversely scaled to family income in a way essentially uniform across the nation), and the very few “categorical” restrictions on eligibility all contribute to the program’s responsiveness to need.
- The program has support from disparate sectors, including the agricultural sector, food companies, and grocery retailers; labor; and the religious community.
- The program supports many low-income working families (including those leaving welfare), children and seniors, as well as disabled and unemployed persons. There also are more than 600,000 veterans in households receiving food stamps.
- Food stamps reach millions of people from all parts of our society – e.g., Whites, African-Americans and Hispanics; rural, suburban and urban households. I know that some think of farm programs as the “rural part” of the Farm Bill and food stamps as the “urban part.” That doesn’t fully reflect the reality, which is better portrayed in a report from the Carsey Institute at the University of New Hampshire entitled “Rural America Depends on the Food Stamp Program to Make Ends Meet.” The Carsey Institute found that 22 percent of the nation’s population lived in non-metropolitan areas in 2001, but 31 percent of food stamp beneficiaries lived there.

Perhaps the clearest recent summary of the success of food stamps and the results of the considerable strengthening of the program came in a January issue of The National Journal devoted to “10 Successes [and] 10 Challenges” in American society – major issues in the public and private sectors. Alongside cleaner air, successful assimilation of immigrants, American entrepreneurship, and six other successes was food stamps, described as “A Government Reform That Worked.” The National Journal was particularly struck by the extremely low rates of program fraud, and the quick and effective response of the program on the Gulf Coast after Hurricanes Katrina, Rita and Wilma in 2005. I have attached the article to this testimony.

II. Food Stamps and Children's Health and Nutrition

Sometimes we take for granted the general good health and nutrition of our nation's children, and forget that it is our nutrition programs that have made a huge difference for millions of them. I would like to begin this part of my testimony by pointing out that 2007 marks the 40th anniversary of a ground-breaking Congressional hearing on hunger in America, and its health and nutrition consequences for children. At that hearing physicians shocked Congress and the nation with their descriptions of the state of nutrition and health among children in poor areas of Appalachia and the southeastern United States. Dr. Raymond Wheeler, a physician from North Carolina, testified on behalf of the Physicians Task Force on Hunger:

“Wherever we went and wherever we looked we saw children in significant numbers who were hungry and sick, children for whom hunger is a daily fact of life, and sickness in many forms, inevitability. The children we saw were more than just malnourished. They were hungry, weak, and apathetic. Their lives were being shortened. They are visibly and predictably losing their health, their energy and their spirits. They are suffering from hunger and disease, and directly or indirectly, they are dying from them, which is exactly what starvation means.”

Beginning that day, many more Americans came to understand the importance of ending hunger and improving nutrition to ensure the health and educational achievement of our children. Federal nutrition programs have been created and expanded to ensure that the desperate situation Dr. Wheeler described would never again happen in our nation. By the late 1970s studies found hunger had been dramatically reduced by food stamps and other government initiatives like WIC and school meals. But we have in essence stalled, and in some respects slid backward since then.

We need to reinvigorate our nation's anti-hunger effort.

All of us recognize the importance of a healthful and sufficient diet for children, from the molecular biologist studying nutrition at the cellular level to the mothers and fathers among us who see it each day in our children's growth and development. But one difference today is that we are seeing and hearing more and more findings from laboratory research, epidemiological studies, and nutrition interventions that contribute to our growing understanding of the vital importance of enough good food for the next generation - - for their health and cognitive, physical, emotional and social development - - and the role of food stamps in accomplishing that. Food security, which the U.S. Department of Agriculture defines as “access by all people [in the household] at all times to enough food for an active healthy life,” translates, for children, into optimal cognitive development and better education outcomes, improved mental health and self-esteem, better family dynamics, healthier children with healthier futures, and obesity prevention. Every day the Food Stamp Program works to make sure that millions of low-income children enjoy these positive outcomes. And, with additional funding and targeted

changes in the program, it can make even more of a difference for these and other children and their families.

Food stamps increase the nutrition available to low-income children. Over half of food stamp recipients are children, making it nearly as much of a child nutrition program as School Lunch and Breakfast. Food stamps increase household food spending, and research on the effects of food stamps on overall household food consumption reveals that basic nutrients in home food supplies are increased substantially (20 to 40 percent) by food stamps. USDA reports that the very large majority of benefits are spent on basic food items—for example, vegetables, fruits, grain products, meat and meat alternatives account for nearly three quarters of the money value of food used by food stamp recipients.

One study by USDA researchers using national food consumption data looked at the impact of the Food Stamp Program on households' Healthy Eating Index (HEI) scores (an indicator of overall dietary quality developed by USDA based on the Dietary Guidelines for Americans) and found that the value of food stamps received by a household had a substantial and statistically significant positive effect on overall dietary quality. For each dollar of food stamps that a household received, the household HEI score went up—the higher the level of food stamps, the larger the positive nutritional effect.

Another group of researchers looked specifically at the effects of household food stamp participation on the nutrient intakes of children 1 to 4 years old, using the same national food consumption data. They found that for iron, vitamin A, thiamin, niacin and zinc, the Food Stamp Program had a significant positive effect on the intakes of this age group. Again, the intakes of these nutrients were significantly related to the amount of food stamps received—as benefits went up, the amount of each nutrient in the diet went up as well.

Another recent study demonstrated that, among 8000 children followed from kindergarten to third grade, those whose families began to receive food stamps achieved significantly greater improvement in reading and math than those whose families stopped receiving food stamps.

In short, the evidence is that food stamps make a positive difference for nutrition, and the consumption of a nutritionally adequate and healthful diet contributes to better health and educational outcomes for children.

Food stamps increase the food available to low-income children and their families and thus move families closer to food security, and further away from the adverse consequences of food insecurity. As indicated earlier, more than 12 million children in the U.S. live in food insecure households – 16.9 percent of children live in food insecure households, compared to 10.4 percent of adults.

Researchers are finding that when children live in food insecure households, their health status can be impaired, making them less able to resist illness and more likely to become sick or hospitalized. Iron deficiency anemia among young children has also been associated with household food insecurity. Children from food insecure households have problems with learning, resulting in lower grades and test scores. They are also more likely to be anxious and irritable in the classroom, and more likely to be tardy, or absent from school. Adolescents from food insecure households have been shown to be more likely to have psychological problems.

According to a survey of several thousand mothers of 3-year old children in 18 large cities, mental health problems in mothers and behavioral problems in their preschool-aged children were twice as likely in food insecure households as in food secure households. In discussing their findings, the researchers assert: “Social policy can address food insecurity more directly than it can address many other early-life stresses, and doing so can enhance the well-being of mothers and children.” The Food Stamp Program is one of the social policies that can bring families with children more food security.

Put differently, in the metaphor used by Dr. Deborah Frank of Boston Medical Center and the Children’s Sentinel Nutrition Assessment Program, food stamps are like a childhood vaccine against malnutrition, hunger and food insecurity – a miracle drug that cuts babies’ chances of dying, reduces hospitalizations, and increases children’s school achievement. But because benefits are inadequate, we are giving children (in Dr. Frank’s words) a “sub-therapeutic” dose of this miracle drug – enough to make them better, but less than science tells us they need, the equivalent of giving children penicillin that isn’t quite enough to really cure a strep throat. And we are giving this miracle drug only to 60 percent of the people who need it. If this nation were giving polio or measles vaccine to only 60 percent of children, and in sub-therapeutic doses, I believe this Congress would act immediately.

Food stamps, by moving families closer to food security and by allowing them to afford healthful diets on a more consistent basis, can play an important role in preventing childhood obesity. Certainly obesity among low-income people as well as more affluent people in our society is a serious concern. Some have worried that food stamps, by the mere fact of paying for food, contribute to obesity. But all the evidence is to the contrary. It is adequate resources for a healthy diet that reduce obesity, not hunger, stress, or recurrent cycles of eating and lack of enough food to eat. Food stamps and other nutrition programs can play a protective role against obesity, although that role may well be diminished by the inadequacy of the benefit amount.

Emerging research is showing that participation in nutrition programs has the potential of protecting children from excess weight gain. An analysis of nationally representative survey data shows that school-age food insecure girls are less likely to be overweight or at risk of overweight if they participate in the School Breakfast Program, School Lunch Program or Food Stamp Program, or any combination of these programs.

Research has shown that obesity can be a potential consequence of food insecurity among women. The reasons may include the ways in which low-income mothers must cope with limited resources for food—sacrificing at times their own nutrition in order to protect their children from hunger and lower nutritional quality. Food insecurity and poverty may also act as physiological stressors leading to hormonal changes that predispose women to obesity. This interaction between food insecurity and obesity does not show up as consistently among children. This may be because families work so hard to protect their children from the consequences of household food insecurity. One of the programs that helps families do this is the Food Stamp Program. An expert panel appointed by the USDA has reviewed the scientific literature and found no evidence of a relationship between food stamp use and obesity. Similarly, an analysis of data from a national representative child development survey showed no evidence that the Food Stamp Program contributed to overweight among poor children. Research and common sense lead to the conclusion that a more adequate Food Stamp Program that supplies vulnerable families with the level of benefits they need to purchase healthful diets on a consistent and reliable basis will help children avoid both food insecurity and obesity.

III. Acting in Food Stamp Reauthorization to Promote Children's Health and Nutrition

As important and effective as the Food Stamp Program is, it still needs to be improved in significant ways to further reduce hunger and food insecurity and support nutrition and health.

Recently a team of academic researchers, led by Harry Holzer of Georgetown University, produced an analysis of The Economic Costs of Poverty in the United States: Subsequent Effects of Children Growing Up Poor. They concluded that childhood poverty imposes very large long-term economic costs on American society - - by adversely affecting health, education, productivity and other attributes and outcomes, children's poverty leads to such outcomes as added health costs and lower earnings as adults. The total cost to this country is equal to nearly four percent of GDP, or about \$500 billion per year.

One reason these costs are being incurred - - why our children are being harmed and our economy is being held back - - is the nation's widespread hunger and food insecurity among families with children. As just one example, as Dr. Deborah Frank testified to the House Budget Committee four weeks ago that among children under age 3 (she specializes in the problems of very poor, very young children) those who are food insecure are 90 percent more likely to be in poor health and 30 percent more likely to require hospitalization.

Our nation can improve the nutrition and health of children, as well as seniors, parents and others, and strengthen its schools, health care system and economy by making needed investments in the Food Stamp Program.

Our top priority for the 2007 Farm Bill thus is a strong nutrition title that reflects this strategy by reauthorizing and improving the Food Stamp Program. The 2002 Farm Bill

made important progress upon which to build. That bill restored food stamp eligibility for some (but not all) of the many legal immigrants excluded six years earlier; improved access for low-income working families; very modestly increased the standard deduction for some (but a minority of) beneficiaries whose allotment levels had been cut several years earlier by freezing that deduction; reformed how USDA evaluates state administration of the program; and gave states new options to streamline enrollment and reporting, aiding both clients and caseworkers.

But, we have far to go in addressing hunger and food insecurity in this nation. The Food Stamp Program has brought the nation a long way; but it must be strengthened so we can truly move towards eradicating hunger and food insecurity in the midst of our great affluence. To realize the program's potential, Congress must follow three broad strategies: making benefit allotments adequate; opening eligibility to more needy people; and connecting more eligible people with benefits, since only 60 percent of currently eligible people, and barely half of eligible low-income working families, participate in the program. The recommendations below are aimed at achieving these three goals.

These goals are reflected as well in two statements attached by this testimony. The first is a joint position of the Food Research and Action Center, America's Second Harvest - - the Nation's Food Bank Network, and the American Public Human Services Association, the association of state food stamp directors and other state and local government human services professionals. The second is a letter to Congress in support of a strong nutrition title signed by more than 1200 national, state and local organizations, with more joining every day.

As a threshold matter, the 2007 Farm Bill must maintain the entitlement structure of the Food Stamp Program, which responds to increases in need whether due to local or national economic changes or disasters. One recent example underscores this point: the absolutely essential role that the Food Stamp Program played as an effective "responder" in the wake of the devastating hurricanes of 2005. Several factors contributed to that response: leadership from USDA; key efforts of state governments; the efficiency of the Electronic Benefit Transfer (EBT) delivery system; and outreach and advocacy by non-profit partners. But the foremost factor underpinning the Food Stamp Program's ability to act as an effective post-Katrina "responder" was and is its entitlement structure that lets it respond immediately and flexibly to changes in need.

One essential priority in the Bill must be making benefit allotments more adequate - - increasing the minimum benefit and other allotment levels and reversing the impact of long-term benefit cuts embodied in the 1996 law. It is the norm rather than the exception for a food stamp recipient household's benefits to run out several days before the end of the month - - often in the third week of the month. The average benefit of roughly \$1 per person per meal is not enough to purchase an adequate diet. The Thrifty Food Plan, which is the underlying rationale for the benefit amounts, does not represent what a family needs to purchase a minimally adequate diet, particularly for long-term consumption. This shortcoming was bad enough before - - it has only been exacerbated by program changes in 1996 that cut benefits across the board and froze the standard

deduction from income. By next year these cuts will cost a typical family of a parent and two children \$450/year in food stamp benefits - - a huge reduction for families struggling with poverty and hunger.

As this testimony has discussed, food stamps fight both obesity and hunger, and more adequate allotments would do a better job of both. Food stamp benefits should be based on a food plan that reflects what it actually costs to feed a family a healthy diet, and the impact of the reductions in benefits enacted in 1996 must be addressed.

Moreover, the \$10 minimum benefit – unchanged since 1977 -- is woefully inadequate. It provides barely one-third the purchasing power today that it did when it was set. Most often applicable to seniors and persons with disabilities, the \$10 minimum helps too little and discourages very needy people from going through an often complicated application process to obtain such a small amount. A significant increase in the minimum benefit is long overdue.

It is essential, and also long overdue, to revise resource rules so that families need not forfeit meager savings in order to participate. Current resource limits are terribly restrictive - - \$3,000 for households with an elderly or disabled member; \$2,000 for other households. The \$2,000 limit has not been adjusted for more than two decades – while inflation has nearly doubled. Allowing families that suffer unemployment, involuntary part-time work, illness or other financial emergencies to access food stamp benefits without exhausting their resources will help those families rebound and promote their self-sufficiency long-term, and will further bipartisan goals of fostering savings and asset development. I recently heard Robert Dostis, Director of the Vermont Campaign to End Childhood Hunger and a Vermont state legislator, tell about a client who was homeless and trying to save two months' rent – one for the security deposit and one for the first month – so she could get herself and her family back into housing. Because this hard and laudable effort on her part pushed her above \$2,000 in assets, as it would in most housing markets in this country, she couldn't get food stamps. We have to fix this problem.

We also urge that the 2007 Farm Bill expand eligibility to more needy people left out of the program now. These include all otherwise eligible legal immigrants, able-bodied adults who now face arbitrary time limits, ex-drug felons making new starts in life but disqualified from food stamps for life, and others struggling to make ends meet but facing arbitrary restrictions. We at FRAC are delighted that you will be hearing from Janet Murguia of the National Council of LaRaza this morning about the importance of restoring benefits for legal immigrants. The limitations on these groups' eligibility imposed by the 1996 law, only slightly mitigated since then, has had only one outcome – more hunger and suffering.

The food stamp reauthorization also should allocate funding for food stamp outreach and education activities. As I have indicated, the department estimates that just three of six of those eligible under current rules are participating in the program, and even fewer among working families. USDA's "Food Stamps Make America Stronger" media campaign and competitive grants to fund community-based outreach efforts are important initiatives,

and a sound start. Considerably more funding for these and other efforts will be important to connect more eligible people with benefits.

Good customer service is undermined by inadequate investments in caseworker staffing and office systems. The problems states have in funding these operations have been exacerbated in the last decade, as the federal government discontinued an enhanced federal match rate for state computer expenses and adopted a cost allocation formula below the traditional 50/50 match rate. As states have been squeezed and have under-invested in staff and systems, that has had negative effects on access to the program. We urge increased support for state administrative operations.

The 2007 Farm Bill must continue to allow recipients choice among food purchases and support healthy choices through benefit adequacy, nutrition education, farmers' market access and other strategies. The current clear distinction between food and non-food items is in keeping with the fundamental purposes of the program and provides consumers and retailers with a simple test for determining an eligible product. Proposals to differentiate among food products, drawing lines among the 300,000 food products on the market, would introduce unnecessary complexity. They also could well drive hungry people out of the program. Much of the stigma that had attached to the Food Stamp Program in the past stemmed from the public nature of redeeming food stamp coupons (the physical scrip that formerly was used) in a supermarket line. The implementation of EBT technology has helped to mainstream and make virtually invisible the food stamp purchase transaction at point of sale. Conversely, treating recipient shoppers differently from other consumers and raising questions at check-out as to what is reimbursable would threaten to increase stigma and run counter to national and state efforts to empower people as they move to self-sufficiency.

Providing people with adequate resources to purchase food is essential, and strengthening the Food Stamp Nutrition Education programs is a second important component in a multi-faceted approach to ensuring good nutrition outcomes and addressing the nation's obesity problem. Other components include: supporting strategies that allow food stamps to be used at farmers' markets; ensuring appropriate outlets in communities for obtaining reasonably priced fruits and vegetables; and altering environmental messages that affect individuals' behavior.

Finally, we agree with USDA that the program should be renamed to reflect its modernization, reforms and current thrust.

In conclusion, the 2007 Farm Bill should include significant new investments in the Food Stamp Program to renew the nation's effort to eradicate hunger and food insecurity and improve the nutrition, health and learning of all our people, and especially children. The increased investments would pay dividends in good child development, child health, school achievement, a more productive work force, and greater economic security for America's rural, urban and suburban families.

Mr. Chairman, we appreciate this opportunity to share our views on the 2007 Farm Bill and look forward to continued work with you and the Committee as the process moves forward.

ATTACHMENTS