



FRAC Facts: The Impact of Rising Food Costs on Low-Income Americans

All Americans are starting to feel the pinch of food costs that suddenly have begun rising more rapidly, on top of rising energy, housing, and health costs. The higher cost of food is falling especially hard on low-income families – the people already stretching limited budgets to the utmost. In a crunch, for many households food costs are the main area where they choose to cut back on spending, albeit at a price to their health. Bills for rent or mortgage, child care and transportation to work must be paid, as well as heating costs and the water bill. Cutting back on groceries, as painful as it may be, can seem like the only choice to make.

FRAC believes it is especially important now to strengthen nutrition program supports, as well as to connect more families to federal nutrition programs that can help them stretch their limited funds and access healthy foods.

FACTS AT YOUR FINGERTIPS:

- According to the Department of Labor, the cost of food at home rose 7.1 percent from July 2007 – July 2008.
 - Some food items experienced a double-digit increase in price during the same time period, including: cheese increased by 14.5 percent; eggs increased by 16.3 percent; and bread increased by 17.3 percent.
- The price of a market basket of basics on which low-income people rely rose even faster. From June 2007 to June 2008, the cost of the “Thrifty Food Plan” rose by 8.5 percent. The Thrifty Food Plan is the government’s basis for Food Stamp allotments – it represents the least expensive basket of food the government prices (and recommends only for short-term use). Studies show that most families cannot actually obtain a healthy diet with this level of spending, but it is what many low-income families are relegated to, at best.
- Because some parts of the food stamp benefit computation are not indexed for inflation, and those that are indexed are changed only once a year (in October), faster food inflation especially harms people on food stamps.
- The rise in food costs may be even more dramatic for healthier, more nutritious food (such as lean meats and vegetables). These food items increased by 20 percent over the past two years, according to researchers at the University of Washington. The study, by Adam Drewnowsky and Pablo Monsivais, was published in the December issue of the Journal of the American Dietetic Association.