

The Real Cost of a Healthy Diet

Coming Up Short

High food costs outstrip food stamp benefits



MEAT	4.50
CEREAL	3.25
OIL	1.95
DELI	6.59
PRODUCE	.89
PRODUCE	2.29
FRUIT	3.67
DRESSING	2.59
BOTTLED WATER	1.99
BATH	1.50
KITCHEN	1.29
PASTA	2.05
TOMATOES	1.15
EGGS	2.59
APPLESAUCE	.99
BUTTER	1.60
BREAD	2.60
RICE	1.30
CRACKERS	2.75
PRODUCE	1.86
YOGURT	1.00
BEANS	1.59
CHEESE	5.53
PUDDING	1.89
CHIPS	1.59
SUBTOTAL	59.00
TAX	.90
TOTAL	59.90
THANK YOU COME AGAIN	

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A project of:
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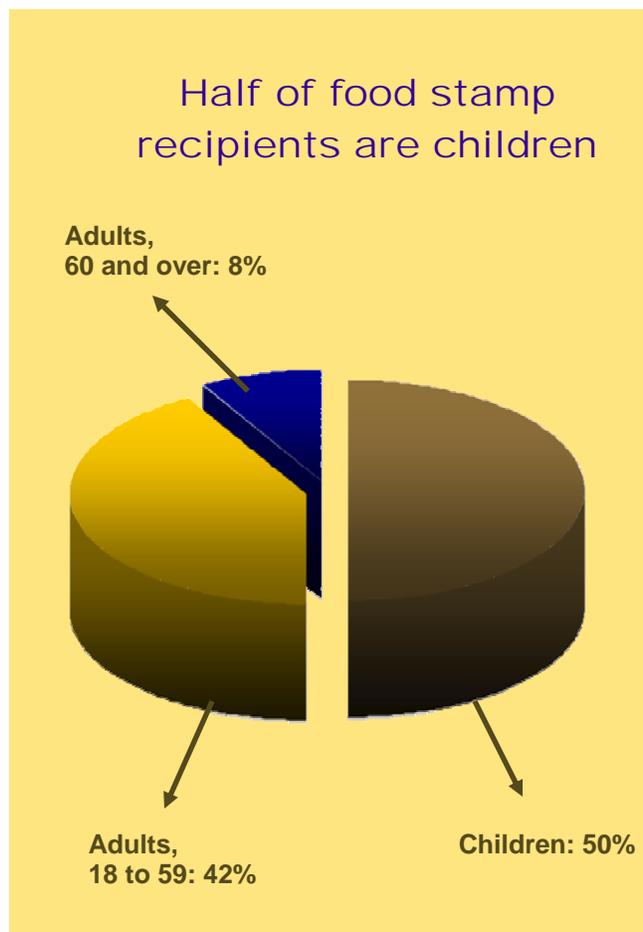
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Food stamps: A sound investment in a healthy future

Over 35.5 million people in the United States are food insecure;* 12.6 million of these are children. Food stamp benefits** can help reduce food insecurity, but only if available at levels that allow families to buy nutritious meals.¹ Currently, nutritious meals are often out of reach for low-income families. Refined grains, fats, and sweets are cheaper per calorie than healthier foods;² they are also convenient and energy-dense. However, they lack essential nutrients for growth and development.³ Food insecurity in the US may occur as underweight or overweight; but it always means poor nutrition, with implications ranging from poor health to impaired cognitive development to stunted growth.^{2,4-6}

* Food insecurity: Limited or uncertain access to enough nutritious food for all household members to lead an active and healthy life; another term for hunger.

** In October 2008, the Food Stamp Program was renamed the Supplemental Nutrition Assistance Program (SNAP).



The new and (almost) improved Thrifty Food Plan

The US Department of Agriculture's Thrifty Food Plan (TFP) is the national standard for a "nutritious diet at a minimal cost." This cost-specific food plan for a family of four determines **maximum food stamp benefits** and was the basis for developing poverty thresholds in the US.^{7,8} The cost of the TFP is a benchmark for national policies guiding nutrition and other safety net programs which impact the nutrition, food security, and health of millions of Americans. In 2006, the USDA revised the TFP for the first time since 1999 and issued an updated report.⁹

Steps forward

For the 2006 TFP report, the USDA used updated consumer and price information databases including average prices paid by low-income households for basic food items. The report improves upon the 1999 TFP by aligning with current dietary standards and including items based on ease of preparation and convenience.

Steps backward

- **National average price data do not capture regional variation.** Costs of food are generally higher in cities, meaning food stamp benefits can't purchase as much in low-income urban neighborhoods.
- **Food quantities are no longer tied to a practical shopping list;** instead, they are listed by weight (e.g. 57 ounces of 'beef, pork, veal, lamb, or game' per week). While the USDA met their goal of developing an improved TFP without increasing cost, the lists have limited practical application.
- **Prepared foods are included in such small amounts that they are almost meaningless.**¹⁰ For example, a total of 0.48 ounces of 'frozen or refrigerated entrées' – the equivalent of a single slice of pizza or fish stick – is allotted for a family of four for an entire week.

“There are not a lot of healthy food choices and those that do exist are really expensive...a lot of families [in my neighborhood] can’t afford them.”

-Sharrice Perkins, youth participant in the Real Cost of a Healthy Diet Project

The Real Cost of a Healthy Diet

The Real Cost of a Healthy Diet Project, based at Boston Medical Center and Drexel University’s School of Public Health, is a community food security research and youth development project. The project investigated whether low-income residents in Boston and Philadelphia could buy food for a healthy diet using the maximum food stamp benefit in their neighborhood food stores.

Project objectives

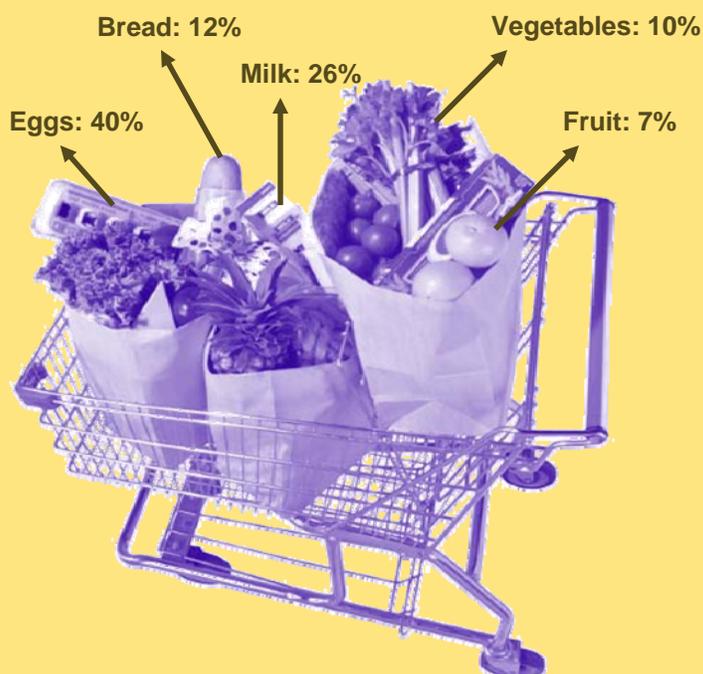
- Determine the cost and availability of a healthy diet, as defined by the USDA’s Thrifty Food Plan (TFP), in three different sized food stores in low-income areas of Boston and Philadelphia
- Compare actual food costs and availability with Food Stamp benefit levels and the TFP
- Translated USDA’s April 2007 TFP food guidelines into a shopping list
- Trained high school youth from Boston and Philadelphia in basic nutrition, food security, food assistance programs, and data collection procedures
- Collected food availability and price data for the TFP shopping list from April through August 2007 with youth, following established USDA protocol
- Calculated weekly and monthly cost of TFP for each store, as well as numbers of missing items per store
- Included estimated prices for missing items in total cost

Project methods

- Selected four low-income neighborhoods in each city
- Identified four stores in each neighborhood: two small, one medium, and one large; total of 16 stores in each city (based on key informant interviews about shopping patterns)

High costs overwhelm family budgets

Food price inflation worst for healthy staples⁹



Multiple hardships place strain on low-income families

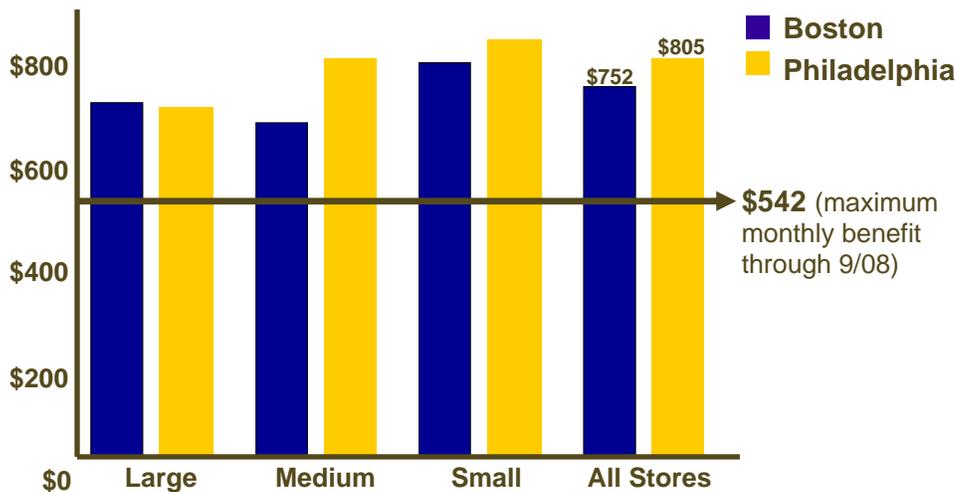
The Labor Department reported an increase of 5.1% in food prices from May 2007 to May 2008.¹¹ **Prices have risen much more dramatically for many staple and healthy foods.**

Increased food costs, coupled with price hikes in heating oil – over 50% since May 2007 – squeeze low-income families’ budgets.¹² Many face a **“heat or eat dilemma”** in which their food budget is sacrificed to keep the house warm and lights on.

In addition, many poor families live in **food deserts** – neighborhoods without access to affordable, healthy foods. Without grocery stores nearby, people rely on corner stores and fast food restaurants, which offer cheap, calorie-dense foods but often at the expense of health and nutrition.

Results: Nutritious Diet Out of Reach

Maximum food stamp benefit insufficient to buy TFP in any size food store



Results are based on data collected in 16 stores in Boston and 16 stores in Philadelphia. In Boston, the average monthly cost of the Thrifty Food Plan (TFP) was \$752, 39% higher than the maximum monthly food stamp benefit for a family of four. A family receiving the maximum benefit would need an additional \$210 per month to purchase a healthy diet. The average monthly cost in Philadelphia was higher: \$805, or 49% above maximum, with a shortfall of \$263 for families receiving the maximum benefit. Given increased food prices over the past year, these data using June 2007 costs are a conservative estimate of the gap between benefits and actual costs.

Small stores: Many low-income urban neighborhoods lack large supermarkets, which tend to offer lower prices and a wider selection. As a result, **families who receive food stamp benefits and rely on small stores for their grocery needs are likely to suffer the greatest shortfalls when attempting to purchase a nutritious diet.**

Even families receiving the maximum food stamp benefit would have to spend an additional \$2,520 in Boston and \$3,165 in Philadelphia annually to purchase the Thrifty Food Plan.

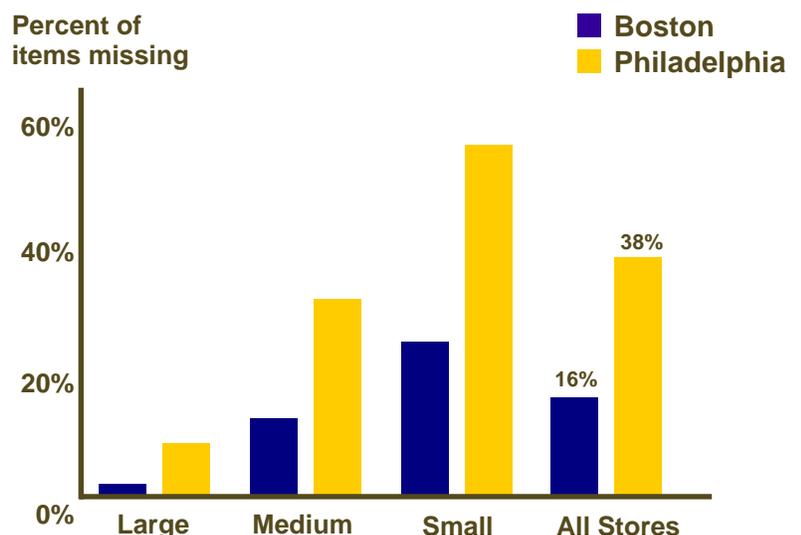
Fruitless searches: Where are all the healthy options?

The TFP food list contains 104 items. On average:

- **16% of items** were not available in participating Boston stores
- **38% of items** were not available in participating Philadelphia stores

The most commonly missing items were also some of the healthiest:

- Fresh fruits and vegetables
- Whole grain products, such as bread, cereals, and pasta
- Low-fat dairy products
- Fish and lean meats





Solutions within reach

The Thrifty Food Plan is not keeping up with the changing world and steadily increasing food prices. However, communities and policymakers at all levels of government have within their grasp answers to these challenges. Innovative solutions are available, given the will to invest in programs, like the Food Stamp Program, which have been proven effective time and again. A healthy America depends on healthy families at all income levels as the fundamental basis of a productive and prosperous society.

The Real Cost of a Healthy Diet team recommends the following policy actions:

Priority policy action:

Invest in the Food Stamp Program over the short and long term to boost the economy and reflect changing food price realities. USDA studies show that every \$5 of food stamp benefits generates almost twice as much (\$9.20)¹³ in local economic activity. Short-term: increase food stamp benefits to stimulate the economy and ease the squeeze of high food and fuel costs on low-income families. Implement the 2008 Farm Bill to maximize legislated improvements to the Food Stamp Program. Long-term: raise the value of the Thrifty Food Plan beyond basic inflation to keep up with food costs, thereby increasing maximum benefits.

Additional policy actions at the national, state, and local levels:

- **Increase funding for meal reimbursements and improve food quality for child nutrition programs in the 2009 Child Nutrition Program Reauthorization.** Reimbursement rates for school meals, Summer Food Programs, Child and Adult Care Food Programs, and WIC should cover current food costs. Food quality must also be improved by aligning meal requirements with current dietary guidelines and mandating updates as guidelines change.¹⁴
- **Calculate the U.S. poverty thresholds using actual proportions of total household expenditures for food.** The TFP was used to develop the U.S. poverty thresholds in 1964 when households spent one-third of their income on food. Today, the calculations remain largely unchanged even though families spend a smaller proportion of their money on food (12.6%). Thus, poverty thresholds are greatly underestimated and some families who require assistance are deemed ineligible for programs.
- **Streamline application procedures for all assistance programs.** Combined applications for the Low-Income Home Energy Assistance Program (LIHEAP), the Housing Choice Voucher Program (Section 8), and food assistance programs will help low-income households efficiently gain access to food, fuel, and housing, and avoid detrimental trade-offs.
- **Promote policies to implement or reward national, state, and local food system improvements.** Many models for expanding access to healthy food in low-income communities exist and could be replicated in other areas with government support. Examples include:
 - Citywide coalitions, such as the Boston Collaborative for Food and Fitness and the Philadelphia Urban Food and Fitness Alliance, which aim to improve access to local, healthy, affordable food;
 - The Pennsylvania Fresh Food Financing Initiative, a public/private program that uses grant and loan funding to stimulate supermarket and grocery store development in underserved communities;¹⁵
 - Equipping farmers' markets with wireless EBT (electronic benefit transfer) card readers, which can improve access to local fruits and vegetables in communities with limited fresh food options; and
 - The Boston Bounty Bucks program, which doubles food stamp dollars when people spend between \$5 and \$10 on their EBT card at participating farmers' markets.

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