USDA Economic Research Service
U.S. Department of Agriculture

Food Assistance and Nutrition
Research Report Number 28-2

The Food Assistance Landscape

March 2003

About half of USDA's budget supports 15 domestic food assistance programs that serve an estimated 1 in 5 Americans at some point during the year. The goals of these programs are to provide needy persons with access to a more nutritious diet, to improve the eating habits of the Nation's children, and to help America's farmers by providing an outlet for the distribution of food purchased under farmer assistance authorities. The Economic Research Service (ERS) is responsible for conducting studies and evaluations of USDA's food assistance programs, focusing on diet and nutritional outcomes, food program targeting and delivery, and program dynamics and administration. This report uses data from USDA's Food and Nutrition Service (FNS) to examine trends in the food assistance programs through fiscal 2002. It also discusses a recent ERS study on one of the smaller, highly targeted food assistance programs—the Summer Food Service Program.

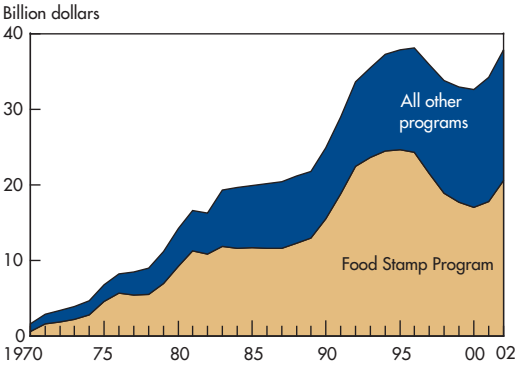
Food Assistance and
Nutrition Research Program

Food Assistance Spending Increases

USDA spending for food assistance totaled $37.8 billion in fiscal 2002, an increase of $3.6 billion, or almost 11 percent, over fiscal 2001. This marked the largest 1-year increase in percentage terms since fiscal 1992. The soft economy and high unemployment increased the demand for food assistance, leading to the increase in expenditures. Despite the increase, spending in fiscal 2002 did not reach the record $38.1 billion spent on food assistance in fiscal 1996.

Each food assistance program targets different populations with different nutritional needs. The five core programs—the Food Stamp Program, the National School Lunch Program, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the School Breakfast Program, and the Child and Adult Care Food Program—accounted for 93 percent of USDA's total spending for food assistance. Each of these programs expanded in fiscal 2002.

USDA expenditures for food assistance, FY 1970-2002

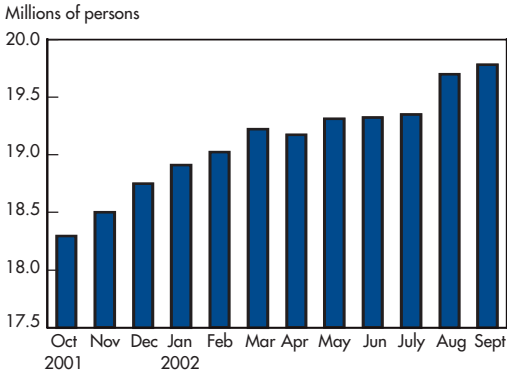


Food Stamp Program Expands

The Food Stamp Program is the largest of the food assistance programs, accounting for 54 percent of all food assistance spending in fiscal 2002. The program provides monthly benefits for eligible participants to purchase approved food items at authorized food stores. The program is available to most households (subject to certain work and immigration status requirements) that meet income and asset criteria. During fiscal 2002:

- The average number of people participating in the program per month totaled 19.1 million, or 10 percent more than in the previous fiscal year. This marked the largest percentage increase in participation in 11 years.
- Participation trended upward throughout the year. In 11 of the 12 months, participation increased over the previous month.
- The average monthly benefit per person totaled $79.55, or $4.72 more than in the previous year. This was the largest annual increase in benefits in 11 years.
- Spending for the Food Stamp Program totaled $20.6 billion, or about 15 percent more than in fiscal 2001. This marked the second straight year in which spending increased, after 5 consecutive years of decline.

Monthly participation in the Food Stamp Program trends upward in FY 2002



WIC Participation Reaches Record High

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides free supplemental food packages, nutrition counseling, and health and social service referrals to low-income women, infants, and children up to age 5 who are at nutritional risk. During fiscal 2002:

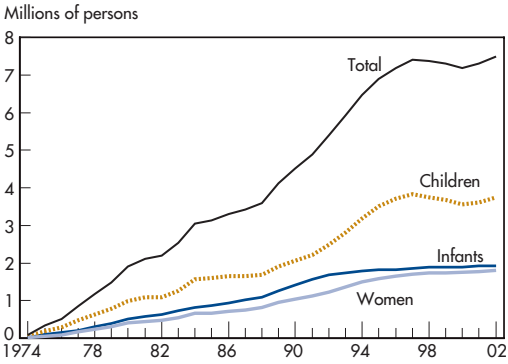
- The average number of people participating in WIC increased almost 3 percent to about 7.5 million per month. This is the largest number of WIC participants ever.
- Children accounted for half of all WIC participants, while infants accounted for 26 percent and women accounted for 24 percent. Compared with fiscal 2001, the number of participating children increased by 4 percent, women increased by 2 percent, and infants increased by less than 1 percent.
- Preliminary average monthly food costs per person totaled $34.87, an increase of less than 2 percent from the previous fiscal year.
- Spending for WIC totaled a record $4.3 billion, an increase of almost 5 percent over the previous year.

Federal Nutrition Assistance At-A-Glance

Program		FY 2001	FY 2002	Change
Food Stamp Program	Average monthly participation (thousands)	17,313	19,110	10.4%
	Average monthly benefit per person (dollars)	74.83	79.55	6.3%
	Total annual expenditures (billions)	17.8	20.6	15.5%
WIC	Average monthly participation (thousands)	7,306	7,489	2.5%
	Total annual expenditures (billions)	4.1	4.3	4.6%
National School Lunch Program	Average daily participation (thousands)	27,506	27,909	1.5%
	Total annual expenditures (billions)	6.5	6.8	5.3%
School Breakfast Program	Average daily participation (thousands)	7,787	8,125	4.3%
	Total annual expenditures (billions)	1.5	1.6	7.7%
Child and Adult Care Food Program	Meals served in:			
	• child care centers (millions)	923	987	6.8%
	• family day care homes (millions)	717	709	-1.1%
	• adult day care centers (millions)	40	44	9.7%
	Total annual expenditures (billions)	1.7	1.9	6.5%
Total program expenditures	Dollars (billions)	34.2	37.8	10.6%

Note: The figures are based on preliminary data provided by the Food and Nutrition Service as of November 2002 and are subject to change. Total program expenditures include figures from other programs not shown in table.

Average monthly participation in WIC reaches new high in FY 2002

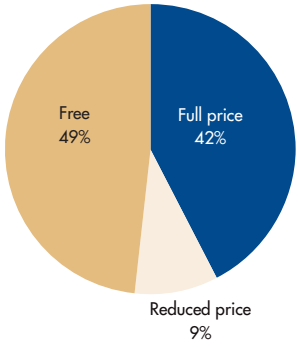


National School Lunch Program Grows

The National School Lunch Program provides nutritious low-cost or free lunches to schoolchildren. Any child at a participating school may enroll in the program. Children from families with incomes at or below 130 percent of the Federal poverty level are eligible for free meals and those from families between 130 and 185 percent of poverty are eligible for reduced-price meals. Children from families with incomes over 185 percent of the poverty level pay full price, though their meals are still subsidized to a small extent. In fiscal 2002:

- Each school day, an average 27.9 million children participated in the program, or about 58 percent of all children attending a participating school.
- A total of 4.7 billion meals were served during the year, an increase of 2 percent.
- Almost half of all meals were free and 9 percent were reduced-price.
- Spending for the program totaled $6.8 billion or 5 percent more than the previous year.

Meals served in the National School Lunch Program by type of reimbursement, FY 2002

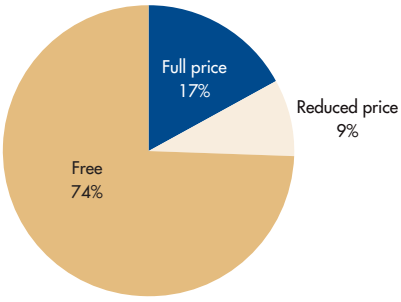


School Breakfast Program Expands

The School Breakfast Program provides low-cost breakfasts to schoolchildren, with students from low-income families receiving free or reduced-price meals (eligibility criteria are the same as those for the National School Lunch Program). During fiscal 2002:

- An average 8.1 million children participated in the program each school day, or about 21 percent of all children attending a participating school.
- Almost 1.4 billion breakfasts were served during the year, an increase of 5 percent.
- Of the total breakfasts served, almost three-quarters were provided free to students and another 9 percent were provided at a reduced price.
- About 67 percent of the breakfasts served in the program received "severe need" reimbursements; schools may qualify for these higher "severe need" reimbursements if a specified percentage of their lunches are served free or at reduced price.
- Spending for the program totaled $1.6 billion, almost 8 percent more than the previous year.

Meals served in the School Breakfast Program by type of reimbursement, FY 2002



Child and Adult Care Food Program Spending Is Up

The Child and Adult Care Food Program subsidizes healthy meals and snacks in participating child care centers and homes and adult day care facilities. The providers of care are reimbursed for each type of qualifying meal (breakfast, lunch/supper, or snack) they serve. During fiscal 2002:

- About 1.74 billion meals were served, an increase of 3 percent from fiscal 2001. About 57 percent of all meals served were in child care centers, 41 percent were in family child care homes, and about 3 percent in adult care centers.
- Compared with the previous year, the number of meals served in adult day care centers increased 10 percent, the number of meals served in child care centers increased 7 percent while the number of meals served in family child care homes decreased 1 percent.
- Expenditures for the Child and Adult Care Food Program totaled almost $1.9 billion, an increase of about 7 percent from the previous year.

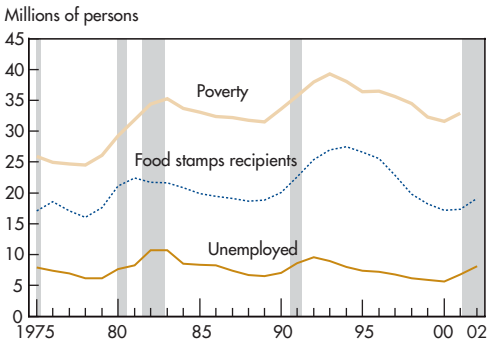
Economic and Social Indicators

Economic and social conditions affect participation in and expenditures on the food assistance programs through their influence on the size of the eligible population, the rate of participation among eligible people, and benefit levels. Historically, changes in the country's economic conditions significantly affect participation in the Food Stamp Program. The number of food stamp recipients typically rises during recessionary periods when the numbers of unemployed and poor persons increases, and falls during periods of economic growth as the numbers of unemployed and poor persons decrease.

After the longest post-war expansionary period in U.S. history, the economy fell into recession in March 2001. The economy remained sluggish through 2002. The annual unemployment rate increased from 4.8 percent in 2001 to 5.8 percent in 2002, the highest rate in 8 years.

The economic slowdown explains at least in part the large increase in the number of food stamp participants during fiscal 2002; during that time, the Food Stamp Program also increased efforts to improve access to the program. More households are expected to be eligible for USDA's food assistance programs if the weak labor market continues in fiscal 2003.

Number of food stamp recipients, unemployed, and people in poverty, 1975-2002



Note: Gray bars indicate recessions.

Selected Economic and Social Indicators, 1999-2002

Indicator	2000	2001	2002
Population (millions)	282.2	285.3	288.4
Persons in poverty (millions)	31,581	32,907	NA
Poverty rate (%)	11.3	11.7	NA
Median household income (2001 dollars)	43,162	42,228	NA
Civilian unemployment rate (%)	4.0	4.8	5.8
Real GDP (% change)	3.8	0.3	NA
Food-insecure households (thousands)	11,101	11,521	NA
Households with hunger (thousands)	3,311	3,511	NA
CPI for all items (% change)	3.4	2.8	1.6
CPI for food (% change)	2.3	3.2	1.8
CPI for food at home	2.3	3.3	1.3
CPI for food away from home	2.4	2.9	2.5
TANF recipients (thousands)	5,781	5,389	5,008
School enrollment (thousands)	53,167	53,369 (E)	53,566 (E)

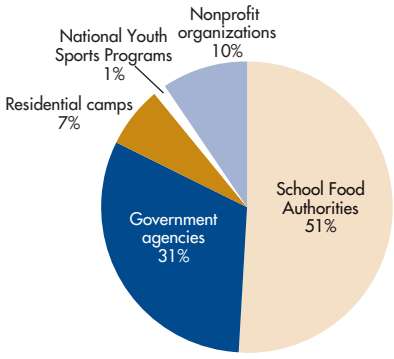
Note: NA = Data not available. (E) = Estimated.

Research Update: The Summer Food Service Program

Some of the child nutrition programs, including the National School Lunch and School Breakfast Programs, the Child and Adult Care Food Program, and WIC, come up for reauthorization at the end of fiscal year 2003 (September 30, 2003). Among the programs whose appropriations authorization expires at the end of FY 2003 is the Summer Food Service Program (SFSP). Although the program accounts for less than 1 percent of total food assistance expenditures, the SFSP helps provide a nutrition safety net by providing free, nutritious meals and snacks to school-age children in low-income areas when school is not in session. Sponsors who provide the meals to children receive payments from USDA for the meals they serve and for documented operating costs (up to a maximum of $0.52 per snack and $2.23 per lunch during the summer of 2001). More than 4,000 local sponsors provided about 130 million meals at more than 35,000 feeding sites in 2001. A recent ERS study of the SFSP, based on data collected during the summer of 2001, indicates that:

- The types of SFSP sites differ. Open sites, located in neighborhoods in which at least half of children have household incomes less than 185 percent of poverty, accounted for 83 percent of all SFSP sites. Enrolled sites, in which at least half of enrolled children have household incomes at or below 185 percent of poverty, accounted for 14 percent. Residential camp sites where only meals served to children with household incomes at or below 185 percent of poverty are reimbursed accounted for 3 percent of all sites.
- School districts served about half (51 percent) of all SFSP meals and government agencies served 31 percent. Meals were also provided by private nonprofit organizations, residential camps, and National Youth Sports Programs.
- On average, SFSP meals provided recommended levels of key nutrients; however, breakfasts were lower in food energy than recommended, and lunches were higher in fat.
- Most site supervisors reported they could serve more children, but that various barriers, such as lack of transportation, may be reasons why more children do not attend.

School districts served half of all SFSP meals



In an effort to help target potential SFSP expansion efforts, ERS is developing an interactive website that will combine data on 2001 sponsors and sites, Census 2000 data on small geographic areas, and school census data. Using geographic information software, State and local users can produce maps to identify unmet needs and potential new site locations. The full results of the study can be found in *Feeding Low-Income Children When School is Out—The Summer Food Service Program*: Executive Summary (FANRR-30, U.S. Department of Agriculture, Economic Research Service, 2003) and in *Feeding Low-Income Children When School is Out—The Summer Food Service Program: Final Report* (E-FAN-03-001, U.S. Department of Agriculture, Economic Research Service, 2003). Both will be available in spring 2003 at: www.ers.usda.gov/publications.

Additional Information

Information on food assistance research can be found on the ERS website's food and nutrition assistance briefing room at **www.ers.usda.gov/briefing/foodnutritionassistance**. Information on USDA's food assistance programs can be found on the Food and Nutrition Service website at **www.fns.usda.gov/fns**. For more information on Food Assistance Landscape March 2003, contact Victor Oliveira at **victoro@ers.usda.gov**.

Economic Research Service
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