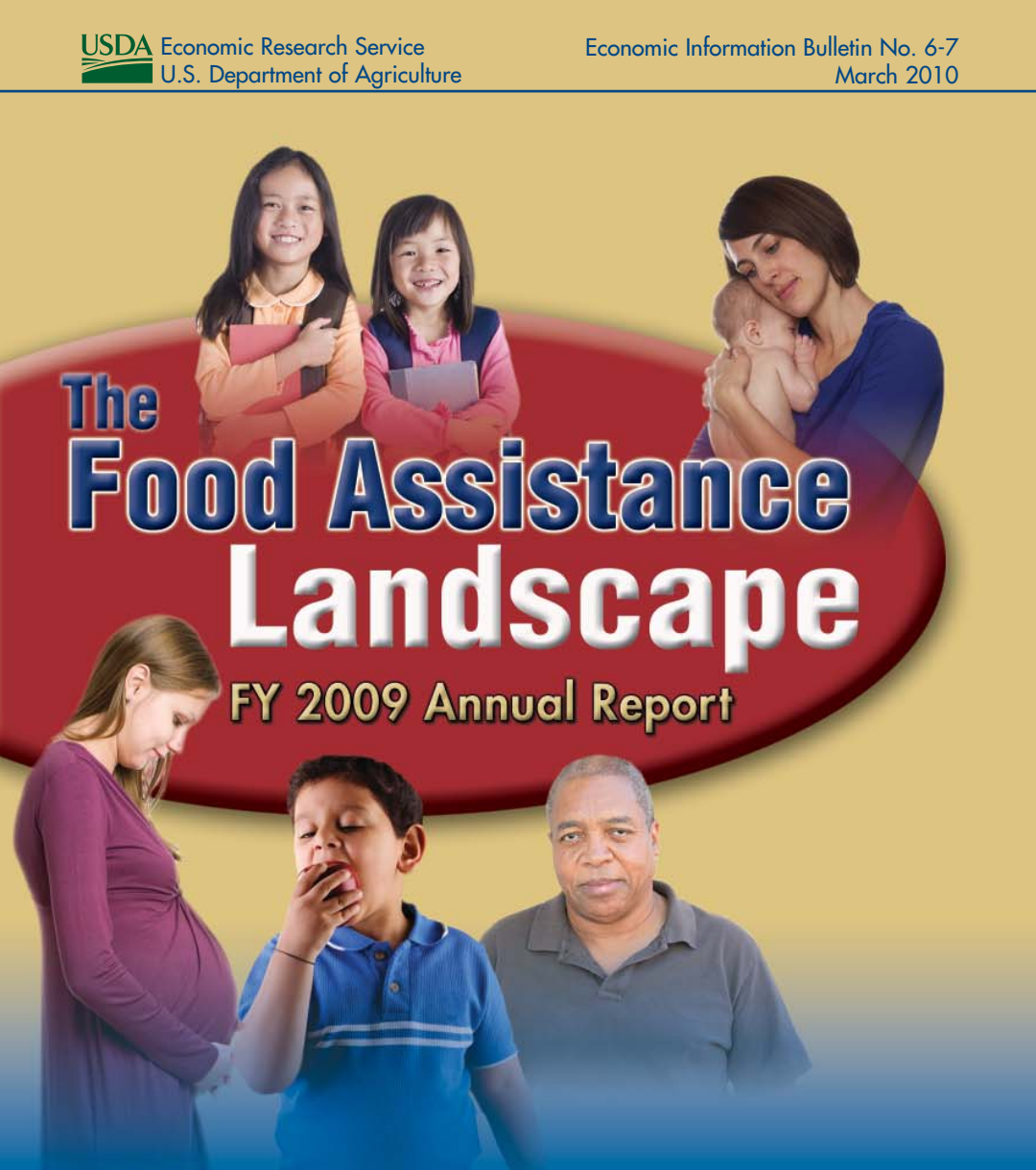




The Food Assistance Landscape

FY 2009 Annual Report

The U.S. Department of Agriculture's (USDA) domestic food and nutrition programs affect the lives of millions of Americans each day. About 1 in 4 Americans participates in 1 or more of 15 USDA food and nutrition assistance programs at some point during the year. Accounting for over two-thirds of USDA's annual budget, these programs represent a significant Federal investment. The Economic Research Service (ERS) conducts studies and evaluations of these programs. This report uses preliminary data from USDA's Food and Nutrition Service (FNS), the agency responsible for managing the programs, to examine trends in food and nutrition assistance programs through fiscal 2009 (October 1, 2008, to September 30, 2009). It also discusses a recent ERS report that examines the prevalence, severity, and characteristics of food insecurity in households with children.



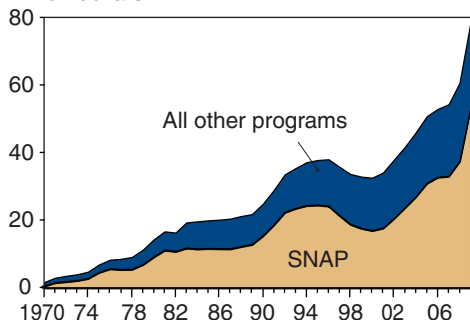


Expenditures for Food Assistance Exceed Previous Record High

Federal expenditures for USDA's food assistance programs totaled \$78.8 billion in fiscal 2009, a 29-percent increase over the previous fiscal year—the largest percentage increase in 34 years. Fiscal 2009 marked the ninth consecutive year in which food assistance expenditures exceeded the previous historical record. The five largest food assistance programs in fiscal 2009—the Supplemental Nutrition Assistance Program (SNAP), the National School Lunch Program, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Child and Adult Care Food Program, and the School Breakfast Program—accounted for 95 percent of USDA's food assistance expenditures. Each of these programs expanded during fiscal 2009.

USDA expenditures for food assistance, FY 1970-2009

Billion dollars



SNAP=Supplemental Nutrition Assistance Program.

Number of SNAP Participants Increases Sharply

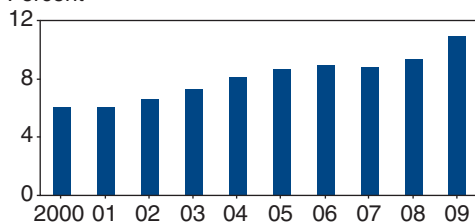
SNAP—formerly the Food Stamp Program—is the foundation of USDA's food assistance programs, accounting for 68 percent of all Federal food assistance spending in fiscal 2009. The program provides monthly benefits for eligible participants to purchase food items at authorized food stores. SNAP is available to most needy households with limited income and assets (subject to certain work and immigration status requirements). During fiscal 2009:

- Federal spending for the program reached \$53.5 billion, 42 percent more than the previous record high of \$37.7 billion set the previous year. This spending increase was due to both an increase in the number of participants and an increase in the average per person monthly benefits.

- An average 33.7 million persons per month participated in the program, the largest number to ever participate and 19 percent more than the previous year. On average, 11 percent of Americans participated in the program each month during fiscal 2009.
- Participation increased 20 percent during the year (from 31.0 million in October 2008 to 37.2 million in September 2009).
- Benefits per person averaged \$124 per month, 23 percent more than in the previous year. This increase was due partly to provisions in the American Recovery and Reinvestment Act of 2009 (ARRA), commonly known as the stimulus package, that increased SNAP benefits as of April 2009.

Share of Americans participating in SNAP, FY 2000-2009

Percent



SNAP=Supplemental Nutrition Assistance Program.

Note: Estimates were calculated by dividing the annual monthly average of SNAP participants by the July estimates of the U.S. resident population from the U.S. Census Bureau.

WIC's Expansion Slows

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) helps safeguard the health of low-income pregnant, breastfeeding, and postpartum women and infants and children up to age 5 who are at nutritional risk by providing a package of supplemental foods, nutrition education, and health care referrals. During fiscal 2009:

- Spending for WIC totaled \$6.5 billion, 5 percent more than in fiscal 2008. Unlike the previous year when it was the fastest growing of the five major food assistance programs, WIC expanded at a slower rate than the other major food assistance programs.
- An average 9.1 million people per month participated in the program, 5 percent more than in the previous fiscal year. Over half (52 percent) of all participants were children (ages 1-4), 24 percent were infants, and 24 percent were women.



Federal nutrition assistance at a glance

Program		FY 2008	FY 2009	Change
SNAP	Average monthly participation (millions)	28.4	33.7	18.7%
	Average benefit per person (dollars/month)	101.52	124.45	22.6%
	Total annual expenditures (\$ billions)	37.7	53.5	42.1%
WIC	Average monthly participation (millions)	8.7	9.1	4.8%
	Food cost per person (dollars/month)	43.41	42.55	-2.0%
	Total expenditures (\$ billions)	6.2	6.5	5.2%
National School Lunch Program	Average daily participation (millions)	31.0	31.2	0.6%
	Total expenditures (\$ billions)	9.3	10.0	7.1%
School Breakfast Program	Average daily participation (millions)	10.6	11.0	3.7%
	Total expenditures (\$ billions)	2.4	2.6	8.6%
Child and Adult Care Food Program	Meals served in:			
	• Child care centers (millions)	1,204.4	1,220.2	1.3%
	• Family day care homes (millions)	626.7	613.9	-2.0%
	• Adult day care centers (millions)	64.2	66.2	3.0%
	Total expenditures (\$ billions)	2.4	2.5	5.5%
All programs	Total expenditures (\$ billions)	60.9	78.8	29.4%

SNAP=Supplemental Nutrition Assistance Program.

WIC=Special Supplemental Nutrition Program for Women, Infants, and Children.

Notes: Figures are based on preliminary data provided by the Food and Nutrition Service as of December 2009 and are subject to change. Total program expenditures include figures from other programs not shown in table.

- Reflecting a drop in food prices, monthly per person food costs averaged \$42.55 after rebates, 2 percent less than the previous fiscal year.

Participation in the National School Lunch Program Levels Off

The National School Lunch Program provides nutritious low-cost or free lunches to schoolchildren. Schools that participate in the National School Lunch Program receive cash and some commodities from USDA to offset the cost of food service. In return, the schools must serve lunches that meet Federal nutrition requirements and offer free or reduced-price lunches to needy children. Any child at a participating school may participate in the program. Children from families with incomes at or below 130 percent of the Federal poverty guidelines are eligible for free meals, and those from families with incomes between 130 percent and 185 percent of the poverty guidelines are eligible for reduced-price meals.

Children from families with incomes over 185 percent of the poverty guidelines pay full price, although their meals are still subsidized to a small extent. During fiscal 2009:

- Spending for the program totaled \$10 billion, 7 percent more than in the previous year.
- Average participation in the program—31.2 million children per day—was about the same as the previous year.
- The percentage of all school lunches provided free to students increased from 50 percent to 52 percent. Reduced-price meals accounted for 10 percent of all meals, the same as in the previous year.

School Breakfast Program Continues To Expand

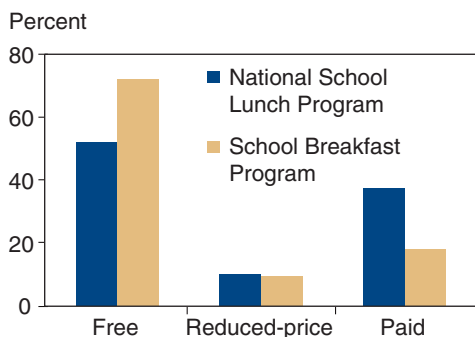
The School Breakfast Program provides low-cost breakfasts to schoolchildren, with students from low-income families receiving free or reduced-price meals (eligibility requirements



are the same as those for the National School Lunch Program). During fiscal 2009:

- Spending for the program totaled \$2.6 billion, 9 percent more than in the previous year, making it among the fastest growing programs.
- An average of 11 million children participated in the program each school day, 4 percent more than the previous fiscal year.
- Seventy-two percent of all breakfasts served were provided free to students, and another 10 percent were provided at a reduced price.

Share of school meals served, by type of reimbursement, FY 2009



Child and Adult Care Food Program Grows Modestly

The Child and Adult Care Food Program subsidizes healthy meals and snacks in participating child care centers and homes and adult day care facilities. Care providers are reimbursed for each type of qualifying meal (breakfast, lunch/supper, or snack) they serve. During fiscal 2009:

- Program expenditures totaled \$2.5 billion, almost 6 percent greater than the previous year.
- A total of 1.9 billion meals were served, about the same as during the previous year. The number of meals served increased by 3 percent in adult day care centers and by 1 percent in child care centers. The number of meals served in family child care homes decreased by 2 percent.

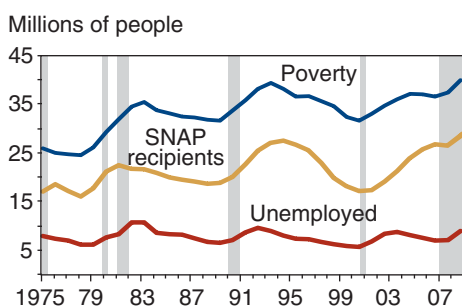
Economic and Social Indicators

Economic and social conditions affect participation in and spending on food assistance programs by influencing (1) the size of the eligible population, (2) the rate of participation among eligible people, and (3) benefit levels.

Historically, changes in the country's economic conditions have significantly affected participation in the Supplemental Nutrition Assistance Program. For example, the number of SNAP recipients typically rises during recessionary periods (when the number of unemployed and poor people increases) and falls during periods of economic growth (when the number of unemployed and poor people decreases).

Coinciding with the recession that started in December 2007, the unemployment rate was 9.3 percent in 2009, the highest rate since 1983. According to Census Bureau figures released in September 2009, the Nation's official poverty rate grew to 13.2 percent in 2008, the highest since 1997. During the same year, real median household income in the United States fell 3.6 percent from the previous year.

Number of SNAP recipients, unemployed people, and people in poverty, 1975-2009



SNAP=Supplemental Nutrition Assistance Program.
Note: Vertical bars indicate recessions.

Research Update: Food Insecurity in Households With Children: Prevalence, Severity, and Household Characteristics

Most U.S. households with children are food secure, meaning that they have dependable access to adequate food for active, healthy living for both adults and children. Due to a lack of income, however, some households experience periods of food insecurity, including times when children as well as adults are affected. Food security is especially important for children because the nutritional content of their diets affects not only their current health, but also their future health and well-being. USDA monitors the extent and severity of food insecurity in U.S. households through an annual, nationally representative survey, with special attention on households with children. A recent ERS report describes the prevalence and severity of food insecurity in



Selected economic and social indicators, 2006-08

Indicator	2007	2008	2009
Population in July (millions)	301.2	304.1	306.8
Persons in poverty (millions)	37.3	39.8	NA
Poverty rate (percent)	12.5	13.2	NA
Median household income (2007 dollars)	52,163	50,303	NA
Unemployment rate (percent)	4.6	5.8	9.3
Real GDP (percent change)	2.1	0.4	-2.4
Food-insecure households (thousands)	13,011	17,149	NA
Very-low-food-security households (thousands)	4,749	6,723	NA
CPI for all items (percent change)	2.8	3.8	-0.4
CPI for food (percent change)	4.0	5.5	1.8
CPI for food at home	4.2	6.4	0.5
CPI for food away from home	3.6	4.4	3.5
TANF recipients in June (thousands)	3,877	3,732	4,077
School enrollment (thousands)	55,380(P)	55,500(P)	55,632(P)

NA = Data not available.

(P) = Projected.

GDP=Gross domestic product.

CPI=Consumer Price Index.

TANF=Temporary Assistance for Needy Families.

households with children as of 2007 and the characteristics of households affected by food insecurity.

In 2007, 15.8 percent of households with children were food insecure at some time during the year. In almost half of these households (about 3 million households), only adults were food insecure. In another 3 million households, low (but not very low) food insecurity extended to the children as well. These households reported reductions in the quality and variety of children's meals, but reported little or no reduction in the amount of food the children ate. In 323,000 households (less than 1 percent of all households with children), one or more of the children experienced very low food security—the most severe food-insecure condition measured by USDA. In these households, children's eating patterns were disrupted and their food intake was reduced below levels considered adequate by caregivers.

Food insecurity among children in households headed by single women was about three times as prevalent as in households headed by married couples and about twice as prevalent as in those headed by single men. About half of all households with food insecurity among children and 54 percent of households with very low food security among children

were headed by single women. In spite of the lower rate of food insecurity among children in married-couple households, those households were a sizable minority (42 percent) of households with food insecurity among children because they represent a larger share of all households.

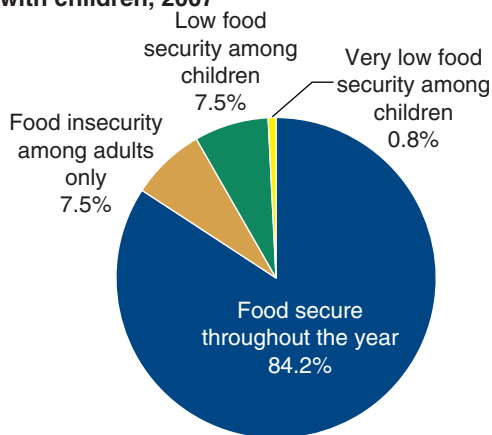
Findings from this study suggest that job opportunities, wage rates, and work supports (such as earned-income tax credits, child care subsidies, and supplemental nutrition assistance available to working households) are likely to be key determinants of food insecurity in low-income households with children. A majority of households with food-insecure children—about 85 percent—had one or more adults in the labor force, including 68 percent that had at least one full-time worker. However, fewer than half of households with food-insecure children included an adult with any education beyond high school, and only 10 percent of households included an adult with a 4-year college degree. Thus, employment opportunities and wage rates for less-skilled or less-educated workers are particularly important factors affecting the food security of children.

In the 30-day period prior to the Food Security Surveys for 2006 and 2007, four out of five

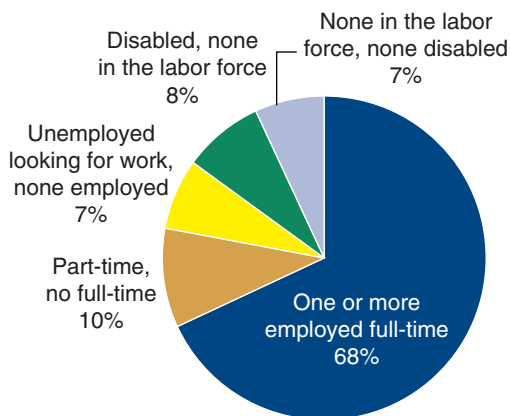


low-income (less than 185 percent of the poverty line) households with food-insecure children received assistance from one or more of the three largest USDA food and nutrition assistance programs (SNAP, the National School Lunch Program, and WIC). Children in

Food security status of households with children, 2007



Distribution of households with food insecurity among children, by labor force status, 2006-07 average



about 70 percent of such households received free or reduced-price school meals, about 40 percent of the households received SNAP (food stamp) benefits, and about 20 percent received WIC benefits. Many households received assistance from two or all three of the programs, although a third reported receiving only free or reduced-price school meals. Low-income households that did not receive assistance from any of these programs were less likely to be food insecure (11 percent) than those that did receive assistance (19-32 percent, depending on the mix of programs). This difference suggests that a large majority of nonparticipants are able to meet their food needs without assistance.

About one in five households with food insecurity among children had annual incomes above 185 percent of the poverty line. Many households with annual incomes in this range are not eligible to receive free or reduced-price school lunches or assistance from the WIC program, and most are not eligible to receive SNAP benefits. Food insecurity among children was more likely in households that had left SNAP during the previous year than for those currently receiving benefits.

The complete report, *Food Insecurity in Households With Children: Prevalence, Severity, and Household Characteristics*, EIB-56, U.S. Department of Agriculture, Economic Research Service, September 2009, can be found on the ERS website at www.ers.usda.gov/Publications/EIB56/.

Information on food assistance research can be found on the ERS website at www.ers.usda.gov/briefing/foodnutritionassistance and on the FNS Office of Research, Nutrition, and Analysis website at www.fns.usda.gov/oane. Information on USDA's food assistance programs can be found on the FNS website at www.fns.usda.gov/fns. For more information on this report, contact Victor Oliveira at victoro@ers.usda.gov

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