

ADDRESSING THE PREVALENCE AND IMPACT OF CHILDHOOD POVERTY AND HUNGER IN NEVADA: SNAP PARTICIPATION RATES

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PROBLEMS

Increasing rates of poverty leave many Nevadans in need of assistance in buying food for themselves and their families. The unemployment rate is hovering around 13 percent in Nevada, and the prices of food are increasing. In February 2011, the cost of food increased at a rate which has not been seen since November 1974. The inflated food prices pose an additional problem for many low-income families. Government programs, such as the Supplemental Nutrition Assistance Program (SNAP), try to address this problem; however, many Nevadans are not taking advantage of SNAP. From 2000 to 2009, 51 percent of eligible Nevadans did not participate in SNAP (AECF). This could be due to a lack of awareness, difficulty accessing the program, among other reasons. Approximately half of the people receiving SNAP benefits across the U.S are children. Because federal money is readily available and SNAP is already established, it would be a relatively low-cost solution in fighting child hunger in Nevada.

The Federal Poverty Threshold appears to be inaccurate in defining food and economic security. According to the Economic Policy Institute, the Federal Poverty Thresholds are greatly understated. In

response to the federal government's very low estimates, the Economic Policy Institute developed its own measure called the Basic Family Budget. The new estimates in the table on page 2 are specific to Nevada and were developed using factors such as food cooked at home, shelter, clothing, healthcare, taxes, and basic transportation.

The estimates provided in the Basic Family Budget illustrate the dire situation many poor families are in. A single-parent family, with two children defined as meeting the Federal Poverty Threshold, could be earning a household income double its current income and still be considered poor, using the Economic Policy Institute's numbers. Initially, the numbers provided by the Basic Family Budget seem very high, but they control for certain costs not addressed by the U.S. Census Bureau. Many single parents face a tradeoff between working and child care expenses. Health care costs have also risen significantly in the past 50 years. Rather than an overarching federal guideline, the Basic Family Budget Calculator provides estimates of costs by state, city, and region. The disparities in these two guidelines should be investigated further; however, the gap illustrates the struggle for the most basic necessities for the poor. In order to comprehend the potential benefits of SNAP and to

improve the quality of life for low-income parents, and most importantly, their children, it is crucial to increase the participation rate of those who are eligible. These issues cannot be ignored; there are great underlying social and economic costs to society resulting from children going hungry.

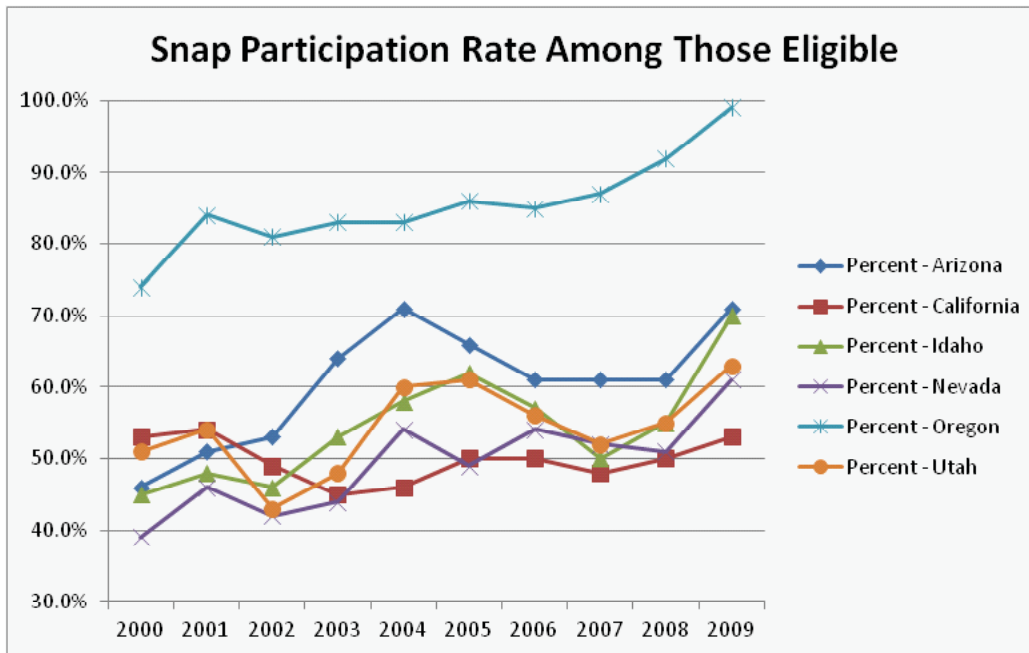
U.S. Poverty Thresholds

Family Size	2007 U.S. Poverty Threshold	2010 U.S. Poverty Threshold	2007 Basic Family Budget	% Difference Between 2007 U.S. Poverty Threshold and Basic Family Budget
One parent, one child	\$13,690	\$15,030	\$34,776	254.02%
One parent, two children	\$17,170	\$17,568	\$41,116	239.46%
Two parents, two children	\$20,650	\$22,113	\$46,371	224.56%

*Basic Family Budget numbers provided by Economic Policy Institute for Reno, Nevada area

The first Food Stamp Program (FSP) dates back to May 1939. The FSP has steadily evolved over the years as legislatures and researchers have analyzed the effects of each successive change. The mid-1990s was a time of welfare reform in the United States. The entitlement program, Aid to Families with Dependent Children (AFDC), was replaced with a program of a similar nature called Temporary Assistance to Needy Families (TANF). The FSP was reauthorized in the 1996 Farm Bill, but welfare reform brought some changes to the program. Measures of eligibility became stricter, the application process became more complex and lengthy, while benefits declined (Andrews and Smallwood, 2012). Following this period of change within the welfare structure, the 2002 and 2008 Farm Act reversed some of changes made in the 90s and changed the name of the FSP to SNAP. Access to help became more accessible rather than more restrictive.

Access to help became less complex, more widely available, and the benefits increased. Due to larger deductions for child care, support amount increased for poor households with children. Yet, there are over 129,854 (31 percent) people missing out on SNAP, including many hungry children. Fifty percent of those currently receiving SNAP are children. So, it is crucial to facilitate the transition into accepting food assistance because half of SNAP benefits will directly help the young who cannot help themselves. The federal funding is readily available, so there will be minimal additional spending out of the state budget. Any costs will be associated with promoting awareness of the availability of SNAP and improving the program’s efficiency. “For every \$1 spent in SNAP benefits, \$1.80 is generated through local economic activity. This activity creates and sustains jobs through the purchase of goods and services. In FY 2010, SNAP recipients in Nevada received \$414,596,396 in benefits which stimulated the economy by \$746,273,464” (Three Square). Providing money to those who are in great need, in the form of food assistance, generates a multiplicative effect when spent, thus boosting economic activity.



Data Source: U.S. Department of Agriculture, Food and Nutrition Service, Supplemental Nutrition Assistance Program Studies. Mathematica Policy Research Institute
 Retrieved from KIDS COUNT Data center on 06/07/2012 from <http://datacenter.kidscount.org/data/acrossstates/Trend.aspx?ind=6716&dtm=13798>

STATEMENT OF INTEREST IN THE ISSUE

In 2011, 22 percent of children in Nevada lived in poverty (The Annie E. Casey Foundation). With the “equal opportunity” attitude of Americans and the obvious disadvantage many poor children face, many may feel a moral obligation to increase awareness and strive to reduce child poverty levels. There is also a more objective, economic logic for reducing poverty. Future productivity will suffer if children are going to school hungry or dropping out in order to get a job to help pay the family bills. In general, poor children grow up with lower levels of education and technical skills, which make them less competitive in the labor market. Some will be driven into the underground economy and engage in illegal activities to make a living. Looking at this issue as an economic issue, expenditures on poverty and hunger reductions for the youth of Nevada can be viewed as social investment. Over time, the returns to society will come in the form of higher Gross Domestic Product, reduced aggregate spending on healthcare and crime, and more general improvements in these children’s quality of life. According to a 1995 report, “(1) [Child poverty] reduces productivity and economic output by an amount equal to 1.3% of GDP, (2) raises costs of crime by 1.3%, and (3) raises health expenditures and reduces the value of health by 1.2% of GDP” (Corcoran, 1995, p. 243). Increasing the participation rate among those who are currently eligible will be a low-cost solution to confront the immediate result of poverty and hunger.

CHILD HUNGER IS AN IMMEDIATE CONSEQUENCE OF POVERTY

The physical and mental risks associated with child hunger

- o Increased neonatal and post-neonatal mortality rates associated with maternal poverty
- o Malnutrition combined with other factors associated with poverty can permanently affect physical growth, brain development, and cognitive functioning and increase risk of asthma, anxiety, depression, and behavioral problems (The Connecticut Commission on Children)
- o Death due to infectious diseases is five times as likely in children below the poverty threshold (The Connecticut Commission on Children)

The effects of hunger on quality of schooling

- o Slows growth and hinders brain development
- o Lowers concentration and alertness in school
- o Lowers overall academic achievement
- o Results in less energy for interacting with teachers or peers (Feeding America)

CURRENT AND PRE-EXISTING POLICIES

While a 22 percent child poverty rate sounds extremely high, in 2010, Nevada, California, Oregon, and Indiana were ranked 30th in the nation (AECF). This indicates that there are 17 other states with higher rates of child poverty. The Nevada child food insecurity rate is approximately 28 percent, meaning over a quarter of children in Nevada are uncertain if they will be fed on any given day. Regardless of the national average, there are far too many hungry kids in our state. The primary goal is to increase the participation rate of those already eligible for SNAP. However, Nevada has had recent success in other social programs, and a few existing programs warrant some attention as well. Considering the failures or achievements of other programs in Nevada reveals an alarming trend.

The Nevada Check Up program is essential in ensuring that children in low-income families can receive health care services. Nevada Medicaid is another program available to children who are even more financially worse off than those children who qualify for Nevada Check Up. Both have provided health insurance for many children who would have gone without. However, the recession has resulted in a tighter budget and declining state revenues. According to a policy brief by Nevada Institute for Children's Research and Policy, there are four primary barriers that need to be overcome in order to make these programs stronger and more effective (Ashley, Waddoups, and Phebus). Two of the four obstacles involve enrollment and participation rates.

The free and reduced lunch and breakfast student participation rate shows a similar trend to the low SNAP participation rate. According to a study by the Food Research and Action Center (FRAC), over 17 million dollars in federal funding is available for school breakfast programs, and over 75 million dollars is available for free and reduced lunch. Over 90 percent of schools in Nevada participate and actively feed students at a very low cost, if any, to the child's family. However, only 33.7 percent of children participate out of those who are eligible for the breakfast program (FRAC). This participation rate is the worst among the states and Washington D.C. This is another case of a lack of participation where the funds are already available. Regardless of Nevada's lower rate of food insecurity, this lack of participation is an issue that can easily be resolved.

The recession brought about policy changes in Nevada. Nevada included a broad-based categorical eligibility option on March 16, 2009, to automatically allow individuals below 200 percent of the federal poverty threshold to qualify for SNAP while making it easier to sign up and receive benefits (NDHHS). Policy makers were responding to two separate factors. The state became more involved after observing the high unemployment rates and housing crisis. The state also saw one of the lowest participation rates in the nation. Adopting the broad-based measure was a step in the right direction and participation rates increased in 2009.

HOW FEDERAL SNAP MONEY CAN BE USED

- o Initially, states are given a capped amount of money for SNAP services
- o States can ask for the federal government to match their expenditures on SNAP activities (50/50 split)
 - o Some outreach activities eligible for federal 50/50 reimbursements include: creating media activities to promote the program, creating and distributing written information, providing application help, and conducting eligibility prescreenings (Food Research and Action Center).
 - o In 2009-2010 the federal government provided states with extra SNAP administrative funds that require no state match
 - o An additional \$150 million in FY 2010
- o Participation and “Competitive Outreach” grants are available

OTHER PROBLEMS ASSOCIATED WITH SNAP

- o Many people abuse their food stamps by trading them for money, drugs, cigarettes, alcohol, and many other goods and services that won’t benefit the children
- o Significant relationship between SNAP recipients and obesity rates
- o An increase in SNAP participation rates does not address the generational issues of poverty

POLICY RECOMMENDATIONS

The rate of child poverty in Nevada is at a staggering 22 percent. Considering this figure, it is impossible to ignore Nevada’s very low participation rate of those eligible to receive to SNAP. This lack of participation is not an isolated problem. An obvious trend of low participation appears when looking at the participation rate among those eligible for social welfare programs in Nevada. Nevada Check Up, SNAP, and Free and Reduced Lunch Programs all exhibit this problem. Considering the fact that Nevada has implemented a broad-based measure to reach out to potential candidates, which many states have yet to do, and still exhibits lagging participation numbers indicates at least one other significant problem.

It has proven to be very difficult in estimating the actual effects of SNAP on reducing food insecurity. Many studies determined that the total amount of money invested in SNAP is insignificant in reducing food insecurity or can actually increase food insecurity levels. In a recent study conducted by the Urban Institute, the authors criticize the methodology of many older models in determining the relationship. Ratcliffe and McKernan (2010) use very sophisticated econometric techniques in their research. Their results show that SNAP reduces

food insufficiency by approximately 20 percent. The authors conclude, “The results of this study suggest that program administrators can improve the well-being of households by increasing their enrollment in SNAP” (Ratcliffe and McKernan, 2010, p. 18).

The State of Nevada should start by increasing SNAP outreach. The pool of money for participants is provided by the federal government, so the actual cost to the state of increasing awareness will be minimal. The state could also work directly or indirectly with existing programs such as The Food Bank of Northern Nevada and Three Square, with the primary goal of expanding SNAP outreach. These private programs have specialized, applicable knowledge for this specific problem. This is one of the methods Oregon has utilized, and it enjoys the highest SNAP participation rate in the country. The federal government will match the state’s expenditures and may cover the entire cost of expanding outreach. These funds can be used to directly address two key barriers to participation in Nevada social welfare programs: limited public knowledge and complicated enrollment and renewal processes (Ashley, Waddoups, and Phebus).

Cooperation between certain public agencies, whether it is county, state, or federal should be encouraged and facilitated. Many offices see low-income people primarily. If a person is filing for welfare, recently unemployed, other social welfare programs facing the same problem applying for public health insurance, or asking about reduced or free lunches, the public employee should try to be informative as possible regarding other potential programs that would be beneficial. For instance, Clark County District Attorney Family Support will often refer an unemployed father to a work program. Case managers could also tell the single parent about a multitude of different programs that would be greatly benefiting the child. It is difficult to estimate the cost of this type of information sharing. The cost of implementing upgraded software for the many state, county, and city jurisdictions and the inevitable retraining of employees may be very large. However, this type of a solution could pay off in the long run and should be considered any time a local government office needs to update their computer systems.

The prevalence and potential adverse side effects of child hunger is very important for the future of this state and the country. Once Nevada takes a stronger stance towards this ongoing problem, it may shed light on reasons why the participation rate for Nevada Check Up is sluggish, whereas the percentage of students eligible for and using free and reduced lunch is ranked last in the nation. Considering the federal government is very willing to fund improvements and outreach programs, the issue of participation rates should be addressed immediately.

DECIDING FACTORS

- o The degree of child poverty in Nevada
- o The many documented adverse effects of child hunger
- o The decreased in future productivity and GDP
- o Estimated effects of SNAP, decreasing food insecurity rates
- o Multiplicative effects of SNAP benefits
- o The cost will be minimal in increasing the number of people to participate who are already eligible due to federal funding
- o The potential benefits will far outweigh the monetary costs
- o Nevada’s method of increasing participation rate of SNAP can potentially serve as an example for other social welfare programs facing the same problem

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