

## HENDRIX COLLEGE

### Relieving Child Hunger Through Food Stamp Reform

**Date:** March 4, 2008

**To:** State Representative Kathy Webb, Chair of Legislative Hunger Caucus

**From:** Taylor Adams and Erin Lyons

**Student Leader for Proposal:** Taylor Adams

**Problem:** Food insecurity and hunger have become significant problems in the U.S., specifically in the state of Arkansas. Hunger across the state is particularly a problem for children and families. According to the 2005 U.S. Census Arkansas had the third highest incidence of food insecurity and hunger in the nation. Of the approximately 2.8 million Arkansas residents, 408,536 experienced food insecurity in 2005. This number has climbed even higher in recent years and is expected to steadily increase in the near future. This is due to recent economic recession and subsequent weak recovery, combined with rising gas and energy prices.

The increase of economic strain that is characteristic of recent years has been found to significantly affect families in the state. A 2004 report made by Columbia University's Mailman School of Public Health found that 37% of children in the U.S. live in low-income families. However, the report found that the state of Arkansas had the highest percentage in the United States: 53%. In 2006 the number of participants in the Arkansas Food Stamp Program was 384,889, an increase of 56.1% since 2000. Roughly 80% of the food stamp benefits in the state go to households with children. Households with children, specifically multiple children, are financially burdened more than others because children who are not of working-age (under 15 years old) must be provided for but cannot earn an income. This burden increases as the number of dependents in a household increases compared to the number of working-aged adults.

Concerning food insecurity and hunger, children are the most vulnerable and the most adversely affected. Hunger is more detrimental to children than adults because they are still growing. Thus hunger can have a more significant and more permanent effect on children. A study by the American Academy of Pediatrics found that children who experience prolonged hunger are significantly more likely to have learning disabilities, developmental delay, chronic health problems, and psychiatric distress, independent of other socioeconomic factors. It also found that one third of hungry children had repeated a grade. Hunger negatively affects children exponentially because they are not only powerless to acquire food on their own but they are denied the tools and the means to change their situation in the future. Equal opportunity is essential to substantive democracy, thus when a group of people in society is denied access to opportunity, regardless of the cause, democracy is at risk.

**Solution:** The Food Stamp Program in the United States is the nation's first defense against hunger and is the largest anti-hunger program in Arkansas. The Food Stamp

Program in Arkansas is considered to be very efficient and performs higher than the national average in benefiting its total eligible population. The current food stamp requirements are much higher than the income of the majority of participants in the state, thus eligibility is not problem. However, the problem with the program is not efficiency or access but the amount of benefits distributed and how they are distributed to families according to the federal guidelines. The Food Stamp Act of 1977 and subsequent acts require that all states calculate how food stamp benefits are issued based on the Thrifty Food Plan (TFP) system. The Arkansas Food Stamp Program is funded 100% by the federal government and must use the TFP in order to receive federal funding. Thus, constitutionally, to change how specific groups are recognized by the TFP system the state of Arkansas must reform its food stamp program externally. This would insure that the way benefits were distributed would change, by a state supplement program, while maintaining the basic TFP requirements.

The current system of calculating food stamp benefit issuance consists of finding the net monthly income of a household after several government regulated deductions (based on specific financial burdens: housing costs, standard deductions, etc.), and then subtracting the remainder from a potential maximum benefits dollar amount. The amount to the nearest dollar that remains from this process is the monthly issuance for that particular household. Thus,  $\text{benefits issued} = \text{maximum benefits} - \text{adjusted net income}$ . The maximum benefits issued amount is directly affected by the number of members in a household, increasing by a fixed amount with every additional member. Hence, a household of two can potentially be awarded more benefits than a household of one. To address the financial burden of families with multiple dependents, however, the state of Arkansas must base the maximum benefit amount, not by the number of members alone but the status of the members in the household as well.

Constitutionally, the state of Arkansas can reform how food stamps affect families with dependents by making a program that will be an add-on to the federal food stamps already issued. By recognizing the number of working-age members of a household versus those not of working-age, those under the age of 15, the state can calculate which families are more burdened. A household that consists of one-half (.5) or more dependents in proportion to working-age members will then qualify for another bracket of potential maximum benefits. This bracket would consist of a maximum benefits issued number that is 15% higher than the original specified for two households. Thus,  $\text{benefits issued} = (\text{maximum benefits} + 15\%) - \text{net income}$ . This 15% increase would be the fixed dollar amount that would be applied to all household sizes. Under this proposal a household of four (two adults and two children under 15) could be issued a maximum benefit of \$587 per month while a household of four (two adults and two children ages 16 and 18) could be issued a maximum of \$542 per month (the current amount issued by federal funding). Accordingly the household consisting of two adults and two children under 15 would receive \$45 dollars more per month than the household of four working-age members. Thus the state would pay this increase in addition to the federal funding already awarded under the current system, a projected total of 6.3 million dollars annually. This program would be funded by a state supplemental fund set aside from the state budget. Proportionately, the first two household sizes that qualify (two and three

members) would get the highest increase in proportion to the original award. Households with these numbers cannot possibly qualify if there are two parents, thus single parents with children are favored under this distribution system.

The Arkansas Food Stamps for Families Initiative would directly relieve some of the burden on families in Arkansas who have children, specifically single parents and additionally stimulate the economy as a result of increased purchasing power. Retailers would directly benefit from increased sales as well as the state's agriculturalists (Arkansas has a predominantly agricultural economy) from increased spending on food. This program, although expensive, will reduce the \$300 annual average that taxpayers pay each year in the U.S. toward hunger related health problems. By externally changing how food stamps are distributed the state of Arkansas can both immediately aid those who are hungry and indirectly fight hunger by benefiting the economy. The Arkansas Food Stamp for Families Initiative will contribute to reducing child hunger in the state, thus promoting the substantive equal opportunity that is essential to functional democracy.

**Sources:** Kathy Webb: Representative of the 37<sup>th</sup> district in the Arkansas House of Representatives, Leah Hutto: Faulkner County Department of Human Services Social Service Rep., US Census Bureau 2005, America's Second Harvest, Mathematica Policy Research, Inc.: Hunger In America 2006 State Report Prepared for Arkansas (9903), Arkansas Advocates for Children and Families, Arkansas Department of Human Services, Columbia University Mailman School of Public Health, American Academy of Pediatrics, Arkansas Hunger Coalition, Arkansas Hunger Relief Alliance, US Department of Agriculture: Food and Nutrition Service, Arkansas Access Resource Directory, Arkansas Food Bank Network, Hunger-Free Arkansas, Children, Youth, and Families Education and Research Network, University of Arkansas Division of Agriculture: Arkansas Families, Food Research and Action Center, Sodexo Foundation, Harvard University School of Public Health