This research assessed four major food assistance programs for their impact during the recession of December 2007 to June 2009. The programs are the Supplemental Nutrition Assistance Program (SNAP), Women, Infants and Children Program (WIC), The Emergency Food Assistance Program (TEFAP), and the State Food Purchase Program (SFPP).

Overall, the research found that SNAP responded quickly, within the framework of its eligibility structure; TEFAP delivered extra food during the 18 months of the American Recovery and Reinvestment Act; WIC increased somewhat in 2010 but declined in 2011; and SFPP continued to provide a baseline for the state’s food pantry system.

Introduction

The most recent recession, commonly referred to as the “Great Recession,” began December 1, 2007 and ended in June 2009, according to the National Bureau of Economic Research (NBER). The definition established by NBER, however, does not cover the period from when the economy began to weaken to the time it returned to its prior level of capacity. Instead, it only covered the time between the beginning of the descent of the economy and the point at which the economy was at its worst. In the case of the most recent recession, the economy has remained weak and, at the time of the research in 2011, had not returned to prior capacity. While unemployment has declined, it remained above pre-recession levels in 2011.

During declines in economic conditions, such as the most recent recession, social welfare programs, including unemployment benefits and various food assistance programs, become the “safety net” that supports the standard of living for those suffering from unemployment and related economic conditions. Certain programs, most notably unemployment benefits and the Supplemental Nutrition Assistance Program (SNAP), also serve important roles as economic drivers or “multiplier programs” of the economy (Ginsberg and Miller-Cribbs, 2005). Thus, programs like SNAP act as multiplier programs to increase economic activity, stimulate demand and help families in need.

Because food assistance programs provide basic protection against the vagaries of the marketplace and have been noted (at least in the case of SNAP) to respond to changes in unemployment (Andrews and Smallwood, 2012), it is relevant to assess how, if at all, major food assistance programs responded to the decline in economic conditions that occurred during the most recent recession that began in December 2007 and ended in June 2009.

Food Assistance Programs

The federal government provides a number of targeted food assistance programs, including school breakfast, school lunch and congregate senior meals (offered at senior centers). Pennsylvania also initiated a wholly funded program in 1981 to provide some form of assistance to the food bank/food pantry system.
This research concentrated on four major sources of food assistance as follows:

- **SNAP** – the Supplemental Nutrition Assistance Program, formerly known as food stamps, provides monthly benefits to recipients in the form of a debit (EBT) card that may be used in grocery stores.

- **WIC** – the Women, Infants and Children Program provides nutritious food for low-income mothers and their children up to age 5.

- **TEFAP** – The Emergency Food Assistance Program is a combination of allocated funds and surplus commodities purchased by the U.S. Department of Agriculture (USDA). USDA obtains the food and the Pennsylvania Department of Agriculture arranges its distribution (the food is delivered to relevant agencies by commercial vendors).

- **SFPP** – The State Food Purchase Program, authorized by the Pennsylvania General Assembly, provides a base allocation for each county to be spent on food that is then disbursed through food pantries. Agencies use the allocations to provide a selection of food to clients. Because the program makes grants in every county, it ensures a statewide network of food pantries, and is the largest state system nationwide (Pennsylvania Department of Agriculture, 2011).


During the most recent recession, the American Recovery and Reinvestment Act (ARRA), which was signed into law February 17, 2009, provided additional funding for SNAP, WIC, and TEFAP.

For SNAP, ARRA provided $45.2 billion nationwide, for a 13.6 percent benefit increase (technically an increase to the Thrifty Food Budget plan) plus administrative funding to support the increased case-load. ARRA also waived the time limits on Able Bodied Adults Without Dependents (ABAWDs), which was extended to Sept 30, 2013 (Silberman, 2012).

For WIC, ARRA provided $400 million nationwide for a contingency fund to cover increases in case-loads. An additional $100 million was allocated for the modernization of data systems. As of June 18, 2010, USDA’s Food and Nutrition Service noted that “due to a more modest than estimated growth in case-loads and price deflation for food, the WIC program only obligated $38 million out of the $400 million of WIC Contingency Fund ARRA funding” (USDA Food and Nutrition Service, 2009).

For TEFAP, ARRA appropriated $150 million nationwide, $50 million of which was for administrative expenses. Funding was allocated on the basis of a state’s poverty and unemployment rates and Pennsylvania was to receive $3,635,848 in food grants and $911,240 in administrative funds (USDA Food and Nutrition Service, 2009).

It should be noted that administrative funds for the entitlement part of TEFAP are awarded by the federal government, and, if not used, may be converted to commodities dollars to buy food for distribution. The administrative dollars for bonus commodities, however, have to be allocated by the state. This money has come from State Food Purchase Program funds. In fiscal year 2006-2007, SFPP funds were $18 million. In fiscal years 2007-2008 and 2008-2009, SFPP funding declined to $17,250,000, and in fiscal year 2011-12, funding declined to $15,388,000. In addition, in recent years, an increasing amount of SFPP allocations have been diverted to pay for administrative costs, primarily for storage and trucking, related to bonus TEFAP commodities.

### Goals and Methodology

This research was conducted in 2011 and 2012. The research goals were to: examine the dynamics of enrollment in four major food assistance programs to assess interactions with the unemployment rate; assess the responsiveness of the food bank/food pantry networks; and provide relevant recommendations.

The researcher used data from the Pennsylvania Departments of Public Welfare, Health and Agriculture, which maintain data on the major food assistance programs, in conjunction with the unemployment rate, and other data from the Pennsylvania Department of Labor and Industry and the U.S. Census Bureau.

The data were evaluated over three periods: prior to the beginning of the recession (2002 to November 2007), the recession proper (December 2007 to June 2009), and post-recession (post July 2009).

The researcher also conducted a survey of lead agency directors and food banks to illuminate the dy-

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1. The Thrifty Food Budget is the lowest cost of four food budgets developed and refined since 1894 by USDA’s Food and Nutrition Service. The Thrifty Food Budget was established as the standard for the maximum benefit in the 1964 Food Stamp Bill. The Thrifty Food Budget “represented a minimal cost diet based on up-to-date dietary recommendations, food composition data, food habits and food price information” (Carlson et al., 2007). It has been revised several times, most recently in 2006.
dynamics of the recession in local areas. The lead agency director list (for TEFAP and SFPP) was provided by the Pennsylvania Department of Agriculture’s Bureau of Food Distribution. The list of food banks was provided by the Pennsylvania Association of Regional Food Banks. The complete survey sample included 75 agencies. A total of 39 usable responses were received, for a response rate of 52 percent.

The first part of the survey contained two sections, one for lead agency directors and one for food banks, and asked respondents about their agency, clients served, fundraising activities, and food distribution frequency. The second part of the survey, aimed at all respondents, asked about the dynamics of the recession in the local county.

Results

SNAP Analysis

Since eligibility for SNAP is based on income, the unemployment rate may affect SNAP eligibility. According to Hanson and Gunderson (2002), the effect of a 1-percentage-point change in unemployment for 1 year is about 700,000 more SNAP recipients nationally. In Pennsylvania, the unemployment rate rose from 4.6 percent in November 2007 to 10.2 percent in January 2010, before declining to 7.8 percent in November 2011. From November 2007 to January 2010, SNAP enrollment rose from 9.3 percent to 14.2 percent, an increase of about 65 percent. While the unemployment rate fell after January 2010, the SNAP enrollment rate continued to increase.

This research indicated that the unemployment rate significantly impacted increases in SNAP enrollment. Other variables that had modest impacts on SNAP enrollment were the poverty rate\(^2\), whether a county was rural or urban\(^3\), and average weekly wages\(^4\). Median income levels had a modestly negative impact on SNAP enrollment: in other words, the higher the median wage, the lower the increase in SNAP enrollment.

SNAP Multiplier Effect

Hanson (2010) outlines the Food Assistance National Input-Output Multiplier (FANIOM), which provides a model to assess the impacts of SNAP dollars on the economy. This model demonstrates impacts on economic activity that can be described both in dollar impacts and job impacts. There are various types of multipliers, which go beyond the scope of this report, but FANIOM Type III is commonly used by analysts assessing the impacts of food assistance programs on the economy. According to this model, an increase of $1 billion in SNAP expenditures is estimated to increase economic activity by $1.79 billion (Hanson, 2010).

Using this model, the researcher assessed the impact of increases in SNAP on the Pennsylvania economy between April 2009, when the ARRA changes in SNAP became effective, and July 2011 (the end of the current analysis).

In those 26 months, the total amount of SNAP dollars issued to Pennsylvanians was $5.5 billion. The net increase in SNAP benefits, that is, the difference between what the benefits would have been without the benefit increase of 13.6 percent and at the rate of enrollment of March 2009 was $1.5 billion or 36.5 percent. Multiplying the effect of the increased dollars that resulted from growth in enrollment and the increased benefit amount by the multiplier of 1.79 resulted in a multiplier effect of $2.7 billion in increased economic benefit.

SNAP in Rural and Urban Counties

There were marked differences between urban and rural counties in terms of unemployment, poverty and SNAP enrollment. In July 2006, urban counties had an average annual unemployment rate of 4.7 percent, while rural counties had an average annual unemployment rate of 5.2 percent. Unemployment peaked in January 2010 at 9.7 percent in urban counties and 10.9 percent in rural counties. By July 2011, unemployment had declined in both urban and rural counties to an average of 8.2 percent.

The average poverty rate in urban counties was 10.9 percent from July 2006 to July 2011, while the average poverty rate in rural counties was 13.6 percent over that same time period. SNAP eligibility in July 2006 was, on average, 7.9 percent in urban counties and 8.4 percent in rural counties. Eligibility climbed steadily during the entire study period. In July 2011, the SNAP eligibility rate was 13.2 percent in urban counties and 13.3 percent in rural counties.

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2. The percent of the population whose incomes fall at or below the federal poverty level. Source: U.S. Census, 2009.
3. This was determined by county population. If a county had a population of 284 people or more per square mile, the county was considered urban. Counties with population densities under 284 people per square mile were considered rural.
4. The average weekly wage is the average wage paid to a wage-earner in a particular jurisdiction in a given week. Source: Center for Workforce Information and Analysis, Pennsylvania Department of Labor and Industry, http://www.paworkstats.state.pa.us/.
One interesting difference between rural and urban counties was the growth in SNAP in contrast to the poverty rate. In urban Pennsylvania, the SNAP enrollment rate overtook the poverty rate in January 2010, while in rural Pennsylvania, the SNAP enrollment rate just approached the poverty rate at the end of the study period in July 2011 (See Charts 1 and 2).

WIC Analysis

WIC enrollment, which is closely related to the birth rate, declined over the study period.

The research found that certain economic factors, such as average weekly wage, the poverty rate and whether a county was rural or urban, positively impacted statewide WIC enrollment or participation. Regional enrollment may relate as much to the birth rates as to changing economic conditions. The 2009 birth rate (the latest figures available at the time the research was conducted) indicated that the counties with the highest birth rates were all located in the southeast and to a lesser degree in the south central regions of the state.

The enrollment rate grew slightly in the southeast region over the study period, but the rates in other regions remained the same or declined slightly.

TEFAP Analysis

Because available funding for TEFAP is not influenced by individual application but by Congressional action, TEFAP was not suitable for statistical analysis. Data on TEFAP was gathered from county invoices from the Pennsylvania Department of Agriculture’s Bureau of Food Distribution in March and October 2011. A partial analysis of TEFAP county invoices (as all were not available) found that ARRA brought more than 2 million additional pounds of mostly protein-based commodities into Pennsylvania during the 18 months of the stimulus program.

Of the total amount of food made available through TEFAP, the additional food made available through ARRA amounted to 8 percent of the total.

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5. The time gap in data collection was due to logistical issues at the Bureau of Food Distribution.
Prior to October 2009, information on the number of clients served was not reported. Table 1 includes information on new declarations (affidavit of eligibility for food that clients sign to attest to their level of income) and total numbers served as reported on county reimbursement invoices.

**State Food Purchase Program Analysis**

During the recession, allocations to SFPP diminished. The role of SFPP remained unchanged, but in recent years, with budget cuts, both the amount of the total appropriation and the amounts allocated to lead agencies decreased due to increases in administrative expenses for “bonus” commodities. Administrative expenses for TEFAP “bonuses” are paid for with SFPP funds.

**Lead Agency/Food Bank Survey Results**

In 56 counties, the same agency administers both SFPP and TEFAP. In the remaining 11 counties, separate organizations administer these programs. A variety of different types of organizations function as lead agencies. Table 2 shows the types of agencies functioning as lead agencies.

Thirty-nine agencies/food banks responded to the survey. Of the 39 responses, 31 were from rural counties and eight were from urban counties. Twenty-seven respondents were lead agency directors and 12 were from food banks.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Quarter</th>
<th>New Declarations</th>
<th>Total Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2009 - September 2010</td>
<td>1</td>
<td>3,122</td>
<td>44,516</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>20,549</td>
<td>564,555</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>21,826</td>
<td>392,079</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>97,221</td>
<td>678,489</td>
</tr>
<tr>
<td>October 2010 - September 2011</td>
<td>1</td>
<td>46,366</td>
<td>1,031,606</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>21,994</td>
<td>64,9432</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>9,740</td>
<td>553,540</td>
</tr>
</tbody>
</table>

Source: County Invoices, Bureau of Food Distribution, Pa Department of Agriculture (not all counties available)

Table 1: New Declarations at Food Pantries and Total Clients Served, TEFAP, October 2009 – June 2011

Sixty percent of lead agency respondents said they supplied up to nine food pantries with food; 12 percent supplied between 10 and 20 pantries; 12 percent supplied between 21 and 30 pantries; 4 percent supplied between 31 and 40 pantries; and 12 percent supplied more than 40.

Among the food bank respondents, 58 percent supplied between one and four food pantries; 25 percent supplied between 10 and 25 pantries; and 17 percent supplied more than 25 pantries.

In the early days of the recession, prior to ARRA, nearly 70 percent of all respondents said that food pantry operators were getting a few more clients every week, 40 percent began to see more than the usual number of people who were homeless, 40 percent had a difficult time getting enough food to everyone that needed it, and almost 30 percent reported that volunteers could not afford to pick up food due to gas price increases.

While not every food pantry’s experience was the same, large percentages of respondents in the lead agency study said they noticed different people coming to the food pantry (89 percent), more people coming to the food pantry (87 percent), and people coming more often than previously (46 percent). Prior to ARRA, 55 percent of respondents reported serving 25 percent more clients and 15 percent reported serving 50 percent more clients. One respondent noted that “the big increase came in 2008 with energy price increases and a simultaneous reduction of TEFAP.”

Table 2: Lead Agencies for SFPP and TEFAP by Type of Organization

<table>
<thead>
<tr>
<th>Type of Agency</th>
<th># of Agencies</th>
<th>Counties Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red Cross</td>
<td>1</td>
<td>Bedford</td>
</tr>
<tr>
<td>Salvation Army</td>
<td>3</td>
<td>Beaver, Blair, Warren</td>
</tr>
<tr>
<td>Local Food Bank/Food Pantry</td>
<td>18</td>
<td>Allegheny, Berks, Clarion, Clinton, Erie, Dauphin, Forest, Fulton, Greene, Jefferson, Juniata, Lawrence, Lycoming, Mercer, Perry, Washington, Westmoreland, York</td>
</tr>
<tr>
<td>United Way</td>
<td>2</td>
<td>Cambria, Venango</td>
</tr>
<tr>
<td>County Commissioner’s Office, other local government</td>
<td>14</td>
<td>Bradford, Chester, Columbia, Juniata, McKean, Mifflin, Montour, Northumberland, Philadelphia, Pike, Potter, Sullivan, Tioga, Wayne,</td>
</tr>
<tr>
<td>Community-based social service agency</td>
<td>4</td>
<td>Crawford, Delaware, Lackawanna, Philadelphia,</td>
</tr>
<tr>
<td>Faith-based nonprofit</td>
<td>3</td>
<td>Cambria, Lebanon, Wyoming</td>
</tr>
<tr>
<td>ESFP (FEMA) Board</td>
<td>1</td>
<td>Clarion</td>
</tr>
<tr>
<td>Food Banks not lead agencies</td>
<td>1</td>
<td>Weinberg Food Bank of NE PA</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
<td></td>
</tr>
</tbody>
</table>
Ninety-five percent of respondents reported that some clients asked for additional food beyond what was given to other clients. Food pantry operators stretched what they had to give out and tried to deal with demand increases. They went to their congregations and communities for increased help, and coped as best they could. However, there was a limit to the capacity of the system to expand. Twenty-two percent of respondents said they ran out of food and 62 percent said their food pantry networks did not expand even though existing pantries had an increase in clients. Respondents reported very few new pantries opening.

Typically, clients were eligible to receive food once a month (52 percent of lead agency directors and 70 percent of food banks), but some respondents noted that there were exceptions or variations to distribution. In terms of fundraising, 89 percent of lead agency directors and 64 percent of food banks said they conducted fundraising activities, such as food drives. Respondents also noted the following impacts on their local communities: increased unemployment (89 percent); more demand at food pantries (84 percent); business closings (75 percent); people moving back to the community to live with relatives after losing jobs (62 percent); and people retiring after becoming unemployed (48 percent).

Overall, the respondents indicated that the recession is not over, as 84 percent reported that, as of June 2011, they were seeing more households than before the recession.

Limitations

It should be noted that, in a retrospective study such as this, there is always a danger that the respondent’s memory may be better or worse than the actual events at the time. In particular, it is difficult to get concrete numbers on poundage from food pantries, since they draw from a number of sources, including an increasing amount of donations. In addition, it may be difficult for respondents to acknowledge that they may have fallen short of their own expectations to serve the needy. Many respondents commented on declines in funding and stresses on the food bank/food pantry system. A study like this necessarily includes responses from those who took the time to complete the questionnaire and lacks responses from those who did not complete it and may miss the more overwhelmed of the potential respondents. The study primarily addressed trends during a time of economic upheaval and therefore did not include other aspects of pantry operations or attempt to analyze the quality and variety of distributed food.

Conclusions

Overall, the research results indicate that food assistance programs responded in mostly positive ways to the demands posed by the recession. SNAP responded quickly, within the framework of its eligibility structure. The steady increases from month to month provided assistance to the newly needy. The decision by the Pennsylvania Department of Public Welfare (DPW) to move to a simplified reporting system in October 2008 also aided in the response by allowing households with tangible assets to use SNAP until conditions improved and allowed DPW staff to process growing numbers of applications.

WIC made no changes in service provision due to declining economic conditions. As a categorical program dedicated to maternal and child care, it was affected by the recession insofar as the number of potentially eligible increased, but since the birth rate decreased in 2008 and 2009 (latest figures available at the time of the study), and WIC is influenced by the birth rate, a very small increase in fiscal year 2010 and a decrease in 2011 may have been the result of those declining birth rates.

TEFAP program levels, set by the federally funded Farm Bill, did not change with the economic declines, and expanding TEFAP for this purpose was not considered during the 2008 Farm Bill deliberations. At the same time, TEFAP bonuses declined drastically. Minutes from the Pennsylvania Emergency Food Advisory committee of September 2008 stated that no TEFAP commodities were received in August 2008. In March 2009, the minutes stated that, while the entitlement portion of the benefit had stayed the same, the bonus commodities benefit had declined by 50 percent in the last 5 years. Therefore, prior to the passage of ARRA, TEFAP had not expanded to help meet growing needs.

The SFPP program remained at a constant level until 2010-2011, when it declined by $1,398,000, with a further cut of $464,000 in 2011-2012. In addition, bonus commodities increased in 2010 and resulted in a $2 million diversion of SFPP funds in both 2010-2011 and 2011-2012 to pay for the related administrative expenses (trucking and storage). Therefore, appropriations for SFPP stayed the same as they had been for several previous years during the early days of the recession and later declined.
Food Assistance Program Response Before and After the Passage of ARRA

Following the passage of ARRA, SNAP expanded in every county, even in urban counties like Bucks and Montgomery, which had low enrollment rates prior to the recession. Similarly, SNAP expanded in rural counties, such as Tioga and Washington, which have been heavily impacted by Marcellus Shale development, within a few months of the passage of the stimulus bill.

The need for food assistance at the local level as experienced by food pantry operators developed slowly, week-by-week, as food pantries saw a few more people each week and people began to come more often, ask for more food and become demanding on occasion. Since the traditional baseline sources of food remained constant or declined prior to ARRA, the primary source of extra food was private sources, through fundraising and food drives from congregations and community sources.

Food pantry operators stretched what they had to give out, referred clients to other pantries and on occasion, ran out of food.

The stimulus portion of TEFAP put more food, primarily protein, into the networks, but the other major food assistance programs did not change. Food banks and food pantries both engaged in increased fundraising and food drives, which helped meet the need, but which required increased effort on the part of local personnel. These efforts continued at the conclusion of the study period, as food bank personnel reported that their member food pantries continued to see new clients every week.

Policy Considerations

From the research findings, the researcher offered the following policy considerations.

At the federal level, administrative expenses for TEFAP bonus commodities should be allocated in the Farm Bill, instead of being drawn from SFPP funds, so that states can maximize the use of federal funds for food assistance.

At the state level, allocations to support the delivery and disbursal of bonus commodities as part of the TEFAP program should be made a separate line item in the state budget to allow for maximum use of the SFPP program for food purchase. Also, the Department of Public Welfare should undertake outreach to food pantries to screen clients for SNAP to maximize access to food assistance to those in need.

At the food bank/food pantry level, lead agencies/food banks should help food pantries to inform clients about the SNAP program and provide opportunities to screen clients for SNAP. Lead agencies/food banks could also undertake a process to cooperate more closely with government agencies to provide their clients with potential resources and opportunities from relevant programs and educational offerings.

Lead agencies/food banks could undertake a process to offer food pantry administrators help with managing stress related to increases in demand and increasing clients, and help in locating relevant community agencies to provide crisis support to clients and other services, as needed.

References


(References continued on Page 8)


