

# HOW THE STATE OF OHIO CAN REDUCE FOOD INSECURITY

*Rob Moore      September 4, 2016*

## EXECUTIVE SUMMARY

Among poverty measurables, Ohio scores especially poorly on rates of food insecurity. Of all tools the state of Ohio has to combat food insecurity, nutrition education programs are the most effective options available to reduce food insecurity in the state. If the state of Ohio invested \$16 million in its Ohio State Extension nutrition education programs, the state could lift a projected 24,000 Ohioans out of food insecurity.



## THE PROBLEM

The rate of food insecurity in the state of Ohio is too high. Food insecurity is, among all poverty measurables, the indicator that the state of Ohio performs worst on compared to other states and the District of Columbia. According to a recent report by the Center for American Progress, Ohio sits in the middle of the country on most indicators, including income inequality (29th best), higher education attainment (26th best), and teen birth rate (28th best), and has been able to stay out of the bottom 10 for almost every poverty indicator. The one exception is food insecurity, where Ohio ranks 46th overall, with 17% of its population estimated to be food insecure.

According to the U.S. Department of Agriculture, Ohio fares even worse when considering those with “very low food security,” or those who have had their eating habits disrupted because their household lacked resources to secure food. Ohio was ranked 49th in the country in this metric with 7.5% of its population estimated to have very low food security, only ahead of Arkansas and Missouri.

While food security is prevalent throughout the state (60% of Ohio counties have food security rates above the national average), rates run higher in Ohio’s urban areas. Cuyahoga, Hamilton, Montgomery, Lucas, and Franklin counties, respectively homes to major urban centers Cleveland, Cincinnati, Dayton, Toledo, and Columbus, rank 2nd, 3rd, 4th, 5th, and 8th amongst Ohio counties in prevalence of food insecurity, and these five counties are home to 40% of all food insecure citizens in the state.

Different narratives have been put forth to explain Ohio’s food insecurity problems. Anti-hunger advocates point fingers at the state’s austere food assistance programs, in particular limiting eligibility for SNAP by not taking advantage of state time limit waivers. State officials have responded to these accusations saying that “a job is the best anti-poverty program.” Research suggests that food insecurity is more prevalent among black, hispanic, younger, and single individuals, renters, less educated persons, those in poverty, the unemployed, those with children, and those with weak financial management skills.

Hunger is an unacceptable outcome among citizens of an advanced nation. The government of the state of Ohio has a moral duty to reduce hunger among its citizens. Therefore, this policy analysis aims to analyze policy options designed to reduce food insecurity in the state of Ohio and to make recommendations as to which policies will be most effective in doing so.

## POLICY OPTIONS

The following policy options represent some of the more prevalent solutions in the policy conversation around reducing food insecurity in Ohio.

***Expand Ohio’s Nutrition Education Programs.*** Given the relationship between having financial management skills and food security, increasing financial and nutritional competency could decrease food insecurity among certain populations. Research on the federally-funded Expanded Food and Nutrition Education Program (EFNEP), a program administered in Ohio by the Ohio State University Extension program, suggests that such training can lower rates of food insecurity. By providing state funding to the Ohio State University Extension to

expand state nutrition education programs, the state of Ohio could potentially reduce food insecurity in the state.

**Expand the number of counties with SNAP eligibility waivers.** In 2016, the state of Ohio decided to waive 18 counties from federal SNAP (formerly known as the “food stamp program”) time limits for childless adults. Sixteen other counties and 12 cities are also eligible for these waivers. By expanding eligibility, more citizens could potentially receive SNAP, at no cost to the state government.

**Reform the state EITC.** Levels of food insecurity are strongly associated with income levels. Reforming the state EITC (an income transfer program for the state’s working poor) by making it refundable and lifting caps on income transfers would be one of the most straightforward ways to put income in the pockets of low-income Ohioans.

**Invest in job creation programs.** Food insecurity is strongly correlated with employment status. Employment brings income and predictability that theoretically leads to greater food security. By investing in job creation programs, Ohio could potentially provide that security to its most needy residents.

## CRITERIA

This analysis evaluates the above policy options in regards to the following three criteria.

### EFFECTIVENESS.

Which options are most likely to bring about the largest decreases in the food insecurity rate?

### EFFICIENCY.

Which options bring down the food insecurity rate at the lowest cost?

### POLITICAL FEASIBILITY.

Which options are most likely to be adopted in the current political

## ANALYSIS

### **Expand Ohio’s Nutrition Education Programs.**

**Effectiveness: HIGH.** A randomized controlled trial in Indiana found that financial management/nutrition education programs can reduce food insecurity rates by 30%. This mirrors self-assessed food security surveys for Ohio’s SNAP-Ed program, run by Ohio State University extension programs. Nutritional education programs are well-documented as effective programs to reduce food insecurity.

**Efficiency: MEDIUM.** Since 14% of Ohioans are on SNAP and estimates say that about 40% of those who are below 133% of poverty (SNAP eligibility) are food insecure, we can estimate that providing state funding to Ohio’s SNAP-Ed program could reduce food insecurity at a cost of about \$700 per person. While scaling up of the program could require more funding for outreach to bring people into the program, administrators of the current program have confidence that additional funding would be a wise investment.

**Political Feasibility: MEDIUM.** While SNAP-Ed and EFNEP are funded by federal sources, there is not a history of funding the programs with state dollars. Thus, this is not a policy option that has attracted much attention in the political world up to this point. This means that this approach could potentially gain traction in the Republican legislature compared to other options.

***Expand the number of counties with SNAP eligibility waivers.***

**Effectiveness: MEDIUM.** As Kansas and Oklahoma reimposed time limits on SNAP recipients at the beginning of 2014, they saw sharp drops in their SNAP caseloads of 7% and 10% respectively. The counties eligible for SNAP eligibility waivers have about 119,000 SNAP recipients currently. If the SNAP caseloads increased by 8% in these counties, that would add another 9,500 people to SNAP rolls. Assuming as we did above that 40% of SNAP recipients are food insecure and using econometric estimates that SNAP decreases food insecurity by 15-35 percentage points, we can conclude that use of these waivers would lift somewhere between 1,500 to 3,500 Ohioans out of food insecurity.

**Efficiency: HIGH.** From a state perspective, expanding SNAP eligibility is an extremely efficient path since all SNAP spending is funded by the federal government. This means that the negligible administrative costs necessary for waiver application would be the only state cost, resulting in a cost of pennies per person lifted out of food insecurity.

**Political Feasibility: LOW.** The Kasich administration has been very conservative with SNAP eligibility rules and is unlikely to reverse its decision to restrict eligibility to a limited number of rural counties.

***Reform the state EITC.***

**Effectiveness: LOW.** There is a significant relationship between income and food insecurity, but the effect is not strong. Logit models show that an increase of income by \$100 leads to a 0.035% decrease in the propensity to be food insecure in 2016 dollars. This is not the strongest effect, and would lead to significant expenditures to make an impact on food insecurity.

**Efficiency: LOW.** Analysis by Policy Matters Ohio suggests that these reforms would give an additional \$150 in income to each low-income Ohioan who claims the credit. In Ohio, 18% of filers claims the federal EITC, and since the state EITC is connected to the federal EITC, we can assume 18% of filers would receive the new credit, or 976,000 Ohioans. Thus, these changes would cost the state \$146 million. If we assume that 40% of these Ohioans are food insecure as we did above, and using the above elasticity, we can estimate that these changes would lift approximately 2,000 Ohioans out of food insecurity, at a cost of \$71,000 per person lifted out of food insecurity.

**Political Feasibility: LOW.** The Kasich administration is bent hard against making the EITC refundable and a \$146 million transfer program would not be popular in the Ohio legislature. These changes are very unlikely to be made without a significant shift in the political landscape.

### *Invest in job creation programs.*

**Effectiveness: LOW.** Research by the US Department of Agriculture finds that employment is projected to decrease propensity to be food insecure by 4%. The Minnesota Family Investment Plan, a model job-creation program, was able to increase the number of single welfare recipients working by 35%.

**Efficiency: VERY LOW.** The Minnesota Family Investment Plan pilot (among the most effective job creation programs in the country) cost about \$12 million to implement, meaning that they were able to employ people at the cost of about \$20,000 per person. By using federal match funds available through the SNAP Employment and Training fund, the state of Ohio could reduce the costs to \$10,000 per person. Using the assumption above of 40% food insecurity with the elasticity of food security in regards to unemployment above, we can estimate that investment in a high-impact program like one modeled after the Minnesota Family Investment Plan would likely decrease food insecurity at the cost of approximately \$650,000 per person lifted out of food insecurity.

**Political Feasibility: MEDIUM.** Jobs programs are popular, but programs like this can also be expensive. While this type of program may have some appeal in the legislature, it would still likely run up against serious roadblocks along the way.

## **ANALYSIS**

Based on the above analysis, I recommend that the state of Ohio expand its nutrition education program and expand the number of counties with SNAP eligibility waivers. EITC reforms and job programs, while potentially valuable for other reasons, are unlikely to significantly decrease food insecurity in the state without large, expensive investments. A state-funded SNAP-Ed program funded at \$16 million (a modest 0.6% increase in higher education spending for Ohio and one tenth the size of an EITC expansion) would lead to a projected reduction in food insecurity that would lift 24,000 Ohioans out of food insecurity. Adding the projected 2,000 Ohioans lifted out of poverty with expanded SNAP eligibility would result in a total of 26,000 Ohioans lifted out of food insecurity by these recommended policies.



### **ROB MOORE**

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