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STRENGTHENING THE FOOD STAMP PROGRAM TO SERVE LOW-INCOME SENIORS

By Stacy Dean

Many Americans do not realize that millions of seniors in our country live in poverty and cannot always afford an adequate diet. This is a complex problem requiring several responses, such as strengthening federal food assistance programs for seniors, improving Supplemental Security Income (SSI) benefits, and removing disincentives for low-income families to save for retirement.

The Food Stamp Program, in particular, can do much more to assist seniors in need. Far too many seniors who are eligible for food stamps do not receive them, and some of the program's rules are tilted against seniors. Fortunately, proposals under consideration in the Farm Bill offer an excellent opportunity to improve food stamps' ability to fight hunger and food insecurity among seniors.

Background on Hunger and Poverty Amongst Seniors

Some 3.4 million Americans aged 65 and older lived below the poverty line in 2006.¹ While the overall poverty rate for seniors — 9.4 percent — is the lowest on record, the poverty rates for African American and Hispanic seniors are much higher: 22.7 percent and 19.4 percent, respectively. (For non-Hispanic white seniors, the poverty rate is 7 percent.) Poverty rates among seniors also vary widely by state, from about 4 percent in Alaska to nearly 16 percent in Mississippi.²

Moreover, the official poverty measure does not reflect the high out-of-pocket medical costs that many seniors face. While poverty rates are lower for seniors than for the nation as a whole under the official poverty measure, some of the Census Bureau's alternative measures of poverty that reflect medical expenses show seniors to have *higher* poverty rates than the nation as a whole.³

¹ U.S. Census Bureau, Current Population Survey 2007 Annual Social and Economic Supplement, Detailed Poverty Tables, "POV01: Age and Sex of All People, Family Members and Unrelated Individuals Iterated by Income-to-Poverty Ratio and Race: 2006," http://pubdb3.census.gov/macro/032007/pov/new01_100_01.htm, accessed 2/28/08.

² U.S. Census Bureau, Current Population Survey 2007 Annual Social and Economic Supplement, Historical Poverty Tables, "Table 3. Poverty Status of People, by Age, Race, and Hispanic Origin: 1959 to 2006," <http://www.census.gov/hhes/www/poverty/histpov/hstpov3.html>, accessed 2/28/08.

³ U.S. Census Bureau, "Alternative Poverty Estimates Based on National Academy of Sciences Recommendations, by Selected Demographic Characteristics and by Region:

Some 6 percent of elderly Americans experience food insecurity, according to 2006 data. (USDA defines a food-insecure household as one that “does not have consistent access to enough food for active, healthy lives for all household members during the year.”) The food insecurity rate is the same for seniors living with others and seniors living alone.

Food insecurity is much more common, however, among *low-income* seniors — those with incomes below 130 percent of the poverty line (i.e., those eligible for food stamps). Some 17.6 percent of low-income seniors living with others are food insecure, as are more than 12 percent of low-income seniors who live alone⁴.

Like poverty, food insecurity is much more common among minority seniors than white seniors. Nearly 19 percent of black seniors and 15.4 percent of Hispanic seniors are food insecure, compared to just 3.7 percent of white seniors.⁵

Food Stamps Can Help Seniors Who are Struggling Against Hunger

The Food Stamp Program, our nation's most powerful anti-hunger program, provides assistance every month to more than 2 million seniors. More than 80 percent of seniors who receive food stamps have total income below the federal poverty level, and about 80 percent live alone. Many of the nation's most vulnerable seniors rely on food stamps, along with social security, SSI, and other state and federal assistance to help afford an adequate diet. In fiscal year 2007, almost \$2.5 billion in food stamp benefits went to households with members who were elderly to help them purchase food.

The Food Stamp Program is efficient and effective. Its benefits are well-targeted on the people who have the greatest difficulty affording an adequate diet. And it efficiently provides benefits on electronic benefit (EBT) cards that are like the plastic debit and credit cards most people carry in their wallets and can be swiped in supermarket and grocery store check-out lines. The program currently has the lowest error rate on record.

Overall, 65 percent of individuals who are eligible for food stamps receive benefits. Among eligible families with children the participation rate is over 80 percent. Yet, for eligible seniors, the participation rate is significantly lower — only 30 to 40 percent.

2006," http://www.census.gov/hhes/www/povmeas/altmeas06/nas_measures_2006_demog_and_region.xls, accessed 2/28/08.

⁴ Nord, Mark, Andrews, Margaret, and Carlson, Steven. *Household Food Security in the United States, 2006*, Food Assistance and Nutrition Research Report No. 49, U.S. Department of Agriculture, Economic Research Service, November 2007.

⁵ Nord, Mark. *Food Security Rates are High for Elderly Households*, Food Review, 25(2), U.S. Department of Agriculture, Economic Research Service, Summer-Fall 2002.

One of the primary reasons for the low participation rate is that some seniors mistakenly believe that they are eligible for only a \$10 minimum benefit. It is true that almost 20 percent of seniors who receive food stamps have income that, while still very low, is high enough that they can qualify for only \$10 under the program's rules. However, the average benefit among the other 80 percent of seniors who receive food stamps is substantial — about \$100 a month. This is because most eligible seniors have sufficiently low income and high medical and shelter expenses to qualify for a higher benefit under the program's rules.

Participation Rate Among Elderly Individuals in FY2005	
Trends in Food Stamp Program Participation Rates: 1999 to 2005	
* FS Participation Rate amongst elderly individuals	
Total	30.75%
Elderly living alone	40.08%
Elderly living w/others	19.46%
*U.S. Department of Agriculture, Food and Nutrition Service, Office of Analysis, Nutrition and Evaluation, <i>Trends in Food Stamp Program Participation Rates: 1999 to 2005</i> , by Kari Wolkwitz. Alexandria, VA: 2007.	

Another reason for low participation is that, in order to ensure program integrity and proper targeting of benefits, the Food Stamp Program has burdensome application and paperwork requirements that many seniors may find onerous (especially if they think they can qualify for only \$10).

The Farm Bill Can Help Strengthen Food Stamps for Seniors

This year's renewal of the Farm Bill provides an important opportunity to improve food stamps for seniors. Many of the food stamp provisions in the House and Senate bills that would strengthen the food stamp program are oriented towards addressing the needs of seniors. For example, the following provisions of the Senate and House farm bills would boost food stamp benefits among the elderly, make more seniors eligible, or reduce barriers that can impede eligible seniors from participating.

Ending erosion in the food stamp standard deduction. The minimum standard deduction that households with 3 or fewer members receive — a group that makes up 98 percent of food stamp households with seniors — would be increased and indexed in subsequent years for inflation. More than 1.5 million seniors would be helped by this change and would no longer see the purchasing power of their food stamp benefits shrink with each passing year.

Updating the minimum benefit. The \$10 minimum benefit, which goes to about 400,000 households with seniors and has not been adjusted for inflation in 30 years, would rise to \$16 in fiscal year 2009 — more than a 50 percent increase — and would be adjusted for inflation in later years. As noted, because many seniors believe they can qualify for only the minimum benefit, this change presents an important education opportunity and outreach tool for states and community organizations to enroll more seniors in food stamps, many of whom will qualify for more than \$16.

Reducing paperwork requirements. The Senate farm bill would extend to seniors a state option from 2002 that has dramatically reduced the amount of paperwork that younger families must provide to food stamp offices. Currently seniors must report any change in their income

and circumstances within 10 days. Under the change, states would allow many households with seniors to receive food stamps for 12 months at a time, during which they would only need to report changes that put their income over the food stamps eligibility limit of 130 percent of the poverty line. The change has the potential to sharply reduce the paperwork burdens of the 2 million seniors who receive food stamps.

In addition, the bill would allow states to accept food stamp applications over the telephone, which could be a significant improvement for low-income seniors who may have difficulty making trips to the local welfare office or navigating states' new on-line applications.

Encouraging savings. The food stamp asset limit for households with seniors has been frozen at \$3,000 for more than 20 years. The steady shrinkage in the inflation-adjusted value of the asset limits discourages saving and undermines a key way for low-income seniors to build a modest cushion for unexpected expenses. Both the House and Senate bills would index the asset limit; the Senate bill would also raise it substantially, to \$4,500. In addition, under both bills, tax-preferred retirement accounts and education accounts would no longer count toward the asset limit. This would help seniors who have saved for their retirement in IRAs from having to liquidate those accounts in order to receive food stamps.

Raising the Adult Dependent Care Deduction. The bill would eliminate the cap on the dependent care deduction, so that working families that pay for care for elderly family members could deduct the full amount of costs they incur in order to work.

Protecting seniors' access to their EBT benefits. The farm bill would ensure that states do not inappropriately remove food stamp benefits from seniors' EBT accounts if they have not been accessed for a short period of time. Some seniors, particularly those who receive small benefit amounts, may wish to accumulate their food stamp benefits to use in one shopping trip or for a special occasion, such as a large family gathering.

Increasing Emergency Food Assistance. Annual funding for commodity purchases for the Emergency Food Assistance Program (TEFAP) under the Food Stamp Program would increase from \$140 million to \$250 million. These funds go to food pantries, soup kitchens, and other emergency sites that provide food to low-income populations. According to America's Second Harvest, the nation's principal Food Bank network, about 2.6 million senior citizens are helped at emergency food sites over the course of a year.

Enhancing services to seniors in CSFP. The Commodity Supplemental Food Program (CSFP) provides monthly nutritious food packages to women, infants, and children who do not participate in WIC and to low-income seniors in about two-thirds of the states. The farm bill would allow states to serve seniors on an equal basis with families, rather than prioritize families.

Improving the Senior Farmers' Market Nutrition Program. The farm bill would increase mandatory funding for Senior Farmers' Markets, which provides fresh fruits and vegetables from farmers' markets and roadside stands to low-income seniors. The bill also would ensure that such benefits are not counted as income in other programs and would prohibit states from collecting sales taxes on food purchases made with such benefits.

These changes would strengthen the Food Stamp Program's ability to provide assistance to low-income seniors across the country. Almost every senior who participates in food stamps — about 2 million — would be helped. The bill would also enhance the program's ability to reach more seniors who are eligible but do not yet participate in food stamps. Despite their ability to improve service to, and coverage for, seniors, many of the provisions described above have little or no costs. Congress should include as many of these provisions as possible in the final package. We encourage the Committee on Aging to communicate the importance of the provisions that will affect seniors to the Agriculture Committee and urge their inclusion in the final farm bill.

The Farm Bill offers an excellent opportunity to address food insecurity among seniors. As the Committee looks ahead and considers the issues of hunger among the elderly and how best to address it, it is important to remember that many food-insecure elderly face particular challenges. Seniors are a diverse and growing population, ranging from active, working or recently retired people able to shop and prepare food for themselves to frail and often much older adults. Home bound seniors may have particular difficulty applying for and or using food stamps. It is important that the program consider new ways of reaching seniors who would benefit from it. In addition, there are many for whom congregate, home-delivered and institutional-based meals, at least in part, will be a more appropriate policy intervention. Many also have special diets — crucial for maintaining their health — that are more expensive than standard diets. For example, low-fat, -salt and -sugar diets are common for many elderly people who live with diet-related conditions, such as heart disease, high blood pressure and diabetes. These issues should also be considered when determining if benefit levels are adequate for seniors.

As with other age groups, having adequate income is a critical part of making seniors food secure. Social Security, Supplemental Security Income and retirement funds contribute toward seniors' well-being. Providing them with assistance for their health care costs can help seniors avoid choosing between medicine and food. Reducing hunger among the elderly will require changes in a number of programs. As mentioned above, connecting eligible seniors with food stamp benefits and making their food stamp allotments adequate can help reduce seniors' food insecurity. In addition, exploring ways to strengthen and improve the Child and Adult Care Feeding program, the Commodity Supplemental Food Program, congregate and home-delivered meals, and institutional-based programs also offer important opportunities to help ensure that low-income seniors have access to adequate nutrition.