
IMPLICATIONS OF RESTRICTING THE USE OF FOOD STAMP BENEFITS - SUMMARY

By most standards, almost all American diets are in need of improvement. Given interest in using Federal nutrition assistance programs to promote healthy choices, some suggest that food stamp recipients should be prohibited from using their benefits to buy foods with limited nutritional value. However, there are serious problems with the rationale, feasibility and potential effectiveness of this proposal.

No clear standards exist for defining foods as good or bad, or healthy or not healthy.

- Federal dietary guidance uniformly applies to the total diet – there are no widely accepted standards to judge the “healthfulness” of individual foods.
- Foods contain many components that can affect health, and diets contain many foods. As a result, it is challenging to determine whether – and the point at which – the presence or absence of desirable nutrients outweighs the presence of nutrients to be avoided in ruling a food “in” or “out”.

Implementation of food restrictions would increase program complexity and costs.

- There are more than 300,000 food products on the market, and an average of 12,000 new products were introduced each year between 1990 and 2000. The task of identifying, evaluating, and tracking the nutritional profile of every food available for purchase would be substantial. The burden of identifying which products met Federal standards would most likely fall on an expanded bureaucracy or on manufacturers and producers asked to certify that their products meet Federal standards.
- Responsibility for enforcing compliance would rest in the hands of employees at check-out counters in 160,000 stores across the nation. While many have modern scanning and inventory control systems, others – especially small stores and specialty markets – do not.
- New effort would be needed to help participants avoid the rejection of purchases at the check-out counter, an event with the potential to reduce productivity at the register and stigmatize participants.

Restrictions may be ineffective in changing the purchases of food stamp participants

- About 70 percent of all food stamp participants – those who receive less than the maximum benefit – are expected to purchase a portion of their food with their own money. There is no guarantee that restricting the use of food stamps would affect food purchases – other than substituting one form of payment (cash) for another (food stamps).

No evidence exists that food stamp participation contributes to poor diet quality or obesity.

- There is no strong research-based evidence to support restricting food stamp benefits. Food stamp recipients are no more likely than higher income consumers to choose foods with little nutritional value; thus the basis for singling out low-income food stamp recipients and restricting their food choices is not clear.

There are better ways to work towards the goal of healthier diets that do not require such restrictions. Incentives – rather than restrictions – that encourage purchases of certain foods or expanded nutrition education to enable participants to make healthy choices are more practical options and likely to be more effective in achieving the dietary improvements that promote good health.

IMPLICATIONS OF RESTRICTING THE USE OF FOOD STAMP BENEFITS

Introduction

By most standards, almost all American diets are in need of improvement, and obesity has emerged as the Nation's most pressing health and nutrition issue. Because of concerns about poor diet, overweight, and obesity among low-income Americans, there is considerable interest in using Federal nutrition assistance programs to promote healthy choices. Some argue that food stamp recipients should be prohibited from using their benefits to buy foods with limited nutritional value (commonly described as "junk" foods).¹ The Food Stamp Act currently places few limits on the use of food stamp benefits, as long as they are used to buy food to eat at home.

The idea of restricting the use of food stamp benefits may be appealing on its face. However, upon closer examination, serious concerns emerge regarding the feasibility and rationale for the proposed restriction.

- No clear standards exist to define foods as good or bad, or healthy or not healthy;
- Food restrictions would pose major implementation challenges and increase program complexity and costs;
- Restrictions may not change the nature of participants' food purchases;
- No evidence exists which indicates that food stamp benefits directly contribute to poor food choices and negative dietary outcomes, such as obesity.

Making Distinctions among Foods

It is not a simple task to draw a bright line between foods that contribute to a healthy diet and those that do not. Common sense suggests avoiding foods that are low in nutrients but high in some combination of calories, fats, added sugars, and salt. In practice, however, drawing the distinction between healthy and unhealthy foods is far more difficult.

The *Dietary Guidelines for Americans*, *MyPyramid*, the American Dietetic Association, and most nutritionists take a total diet approach to communicate healthful eating advice, placing emphasis on the overall pattern of food eaten, rather than any one food or meal. Mainstream nutrition guidance embodies the concept that "there are no bad foods, only bad diets." Thus, the most common advice is to "go easy" on or limit foods with limited nutritional value and stay

¹ This suggestion actually has a rather long history. The House Committee on Agriculture considered and rejected an amendment to eliminate foods with negligible or little nutritional value in its deliberations that led to the Food Stamp Act of 1977, saying that the amendment was "a cure worse than the disease of so-called 'junk food'" (House Report No. 95-464, page 333, June 24, 1977).

physically active to maintain a healthy weight.² If food stamp policy is to move away from the consensus of the nutrition community and instead draw a line between good foods and bad foods, decisions are needed on several difficult issues. For example:

- **Should standards for a healthy diet be applied to individual foods?** The *Dietary Guidelines for Americans* and the Dietary Reference Intakes provide benchmarks for determining nutritional adequacy in the United States. All of these standards apply to the total diet, however. It is not clear that the same standards should apply to individual foods, nor how such a thing could be done. There are recommended limits, for example, on the amount of fat in a healthy diet. Yet there are individual foods – such as some meats and nuts – that are generally recognized as making positive contributions to a balanced diet, but which have a high proportion of fat. To simply eliminate such foods would not necessarily result in a net improvement in a person’s diet.³
- **If the standards for individual foods are different than the standards for the total diet, how does one determine the appropriate benchmarks?** Key issues to be resolved include:
 - **Which nutrients or ingredients should be considered?** Scientists have identified dozens of vitamins, minerals, amino acids, fatty acids, and other nutrients that play an essential role in human nutrition. The larger the number of ingredients or nutrients considered, the more difficult it may be to find foods that simultaneously satisfy multiple criteria for “healthfulness”. Although it may be more practical to limit consideration to a handful of nutrients of public health concern – assuming a consensus on which nutrients qualify as public health concerns – such limits may unintentionally exclude foods high in nutrients not considered.
 - **Are “healthy” foods characterized by the absence of nutrients to be avoided, the presence of desirable nutrients, or a combination of both?** The choice here is not straightforward. Diet sodas, for example, may pass a test based only on the absence of undesirable nutrients: they have no fat or sugars, are low in calories, and contain little sodium. Based on these criteria alone, they would appear preferable to orange juice. Similarly, some brands of potato chips have less sodium per serving than some popular brands of breakfast cereal. Characterizing foods based on the presence of desirable nutrients can be similarly problematic. Doughnuts are not often a source of desirable nutrients, but at least one manufacturer offers a “SuperDonut” fortified with protein, vitamins, and minerals – along with significant calories, fat, and added sugars. Finally, if both characteristics are important, one needs to determine the point at which the benefit of desirable nutrients outweighs the presence of nutrients to be avoided or consumed in

² Specifically, the *Dietary Guidelines for Americans* urge consumption of a variety of nutrient-dense foods and beverages within and among the basic food groups while choosing foods that limit the intake of saturated and *trans* fats, cholesterol, added sugars, salt, and alcohol.

³ Various local, state, and national organizations have established criteria to control individual foods sold in competition with meals provided through the National School Lunch and Breakfast Programs. However, there are some fundamental differences between voluntary guidelines that limit foods in school and statutory limits on food stamp purchases. Most importantly, the number and range of “competitive” foods available in schools is much smaller than the variety of foods in grocery stores.

moderation. Some fortified breakfast cereals, for example, contain relatively high levels of added vitamins and minerals, but are also high in added sugars and sodium. (See Appendix A for more examples). The question then becomes which foods should be permitted, and which should not?

- **What is the most appropriate means of assessing the nutritional value of any given food?** In general, the basis for classifying foods must be sufficiently sophisticated to make objective distinctions based on the nutritional value of the vast number of foods available for sale. It must also be sufficiently simple to be workable. A number of options are available: common sense, expert or stakeholder opinion, and formula-driven assessments of ingredients or nutrient content (see appendix B for more detail). None is without significant shortcomings.

Some have suggested giving each State the option to develop its own definition of allowable foods. This option is problematic for several reasons. First, there is no scientific basis for allowing nutrition standards to vary from place to place within the United States. Second, a State option does not eliminate special-interest pressures; it simply shifts the location of the debate and gives greater weight to local – sometimes parochial – interests. And third, variation in State requirements will complicate retail industry compliance and increase the cost of doing business.

Implementation Challenges

Even if decisions could be made that distinguish allowable foods from restricted foods, there are still difficult implementation challenges. Part of the difficulty stems from the enormous variety and scale of the American food sector. The typical supermarket carries about 40,000 products on its shelves. There are more than 300,000 food products available in the marketplace nationwide; an average of about 12,000 new food items were introduced each year between 1990 and 2000.⁴ Program participants make roughly 1 billion food purchase transactions each year.⁵

The scale of the food sector creates three types of administrative and implementation problems: identifying the specific foods (or food categories) that are allowed or excluded, supplying current information on allowable foods to retailers and participants in a form that enables them to comply with the rule, and monitoring and enforcing compliance.

- **Identifying, evaluating, and tracking the nutritional profile of every food product available for purchase in the constantly changing market would be an enormous undertaking.** Taken literally, the task would require judgments about the nutritional quality of every existing and new food product. There is no existing data base – one that uniquely identifies every food product and links it to a nutritional profile (through the Nutrition Facts panel, for example) – that could support this operation; new data – and the resources and

⁴ Harris, J. Michael. “Food Product Introductions Continue to Decline in 2000.” *FoodReview*, Volume 25, Issue 1, 24-27, Spring 2002.

⁵ Olander, Carol, Erika Jones, and Steven Carlson. *An Analysis of Food Stamp Benefit Redemption Patterns*. Report prepared by the Food and Nutrition Service, USDA, June 2006. Available at www.fns.usda.gov/oane.

capacity to process these data – would be needed. This implies a significant expansion of government responsibility and associated bureaucracy, at a significant cost.

The burden and cost for the Federal government could be reduced, but only by shifting it to private business and, ultimately, consumers. For example, food manufacturers and producers could be required to certify that their product meets the Federal standard for food stamp purchases. These entities would be expected to pass the cost of complying with this requirement on to consumers in the form of higher prices. It also raises the question of whether – and if so, how – the Federal government should monitor and verify such certifications. And unless certified products are labeled as such, there is still need to inform authorized retailers in a manner that enables them to update their point-of-sale systems.

In addition, one could choose to declare entire food categories – such as carbonated beverages, candy and gum, salty snack foods – as unallowable rather than individual foods.⁶ Unless the boundaries between categories are sharply drawn, however, this approach would simply shift the burden and responsibility of determining which products fall into the broad categories and which do not to retailers and their employees. Some boundaries – the distinctions between some candy bars and fortified energy bars, or between carbonated soft drinks and flavored sports drinks, for example – may never be as sharp as they need to be.

- **New restrictions on the use of food stamps place the burden of enforcing compliance in the hands of store employees at check-out counters across the nation.** This may be feasible in stores with modern scanning and inventory control systems. However, some of the 160,000 stores authorized to accept food stamps – especially small stores and specialty markets – do not have such system, posing a major employee training challenge for those entities. Even in those stores with modern scanning equipment, implementation would require development of means to periodically notify retailers of allowable foods and modification of in-store systems to implement the distinctions. Moreover, confusion at the register about allowable items (by either employees or recipients) would reduce productivity at the register.
- **Food stamp recipients would face increased complexity and potential for embarrassment if restrictions on the use of benefits are substantially expanded.** The imposition of new food restrictions would require more effort by recipients to understand which foods are allowed and which are not – suggesting that substantial resources would be needed to educate participants on allowable food choices. Even with such efforts, however, it is likely that some recipients will not always be able to keep track of which foods are allowed, thus increasing the chances that some purchase transactions will be rejected at the check-out counter. This has the potential to stigmatize participants by singling them out as

⁶ National School Lunch Program regulations, for example, prohibit the sale of food of minimal nutritional value (FMNV) in competition with school meals. Foods are prohibited by category: soda water (carbonated beverages), water ices, chewing gum, and certain candies. The definition of FMNV focuses on eight nutrients: protein, vitamin A, vitamin C, niacin, riboflavin, thiamine, calcium, and iron. FMNV can be exempted from the prohibition if they provide more than 5 percent of the Reference Daily Intakes per serving and per 100 calories (foods that are artificially sweetened are assessed only on nutrients per serving).

food stamp recipients, and may discourage some eligible low- income persons from participating in the program.

- **Finally, a new definition of ineligible items increases the likelihood of compliance violations.** Retailers that sell ineligible items can be disqualified from the program or assessed a monetary penalty. Recipients that purchase ineligible items may be sanctioned. Expanding the pool of ineligible items increases opportunities for non-compliance, expands the need for oversight, and may increase the number of retailers or recipients found in violation of program rules.

Effects of Restricting Food Stamp Benefits on Food Purchases

It is not clear that a limit on the acceptable uses of food stamp benefits would actually change the nutrition profile of food purchases. Restricting the use of food stamps would not limit consumer choice at all if food stamp recipients continue to purchase any food they want using their own money. While food stamp benefits make up a substantial share of the food budget in most food stamp households, they do not necessarily provide the entire food budget, nor are they expected to do so.⁷ There is no way to know – other than through carefully designed and evaluated pilot tests – to what extent the proposed restriction would have the desired effect of reducing purchases of foods with limited nutritional value. But it is difficult to justify the substantial cost and other burdens associated with identifying and enforcing new food restrictions given the very real possibility that individuals would simply substitute one form of payment (cash) for another (food stamps) in order to purchase unallowable foods.

One should also be wary of the possibility of unanticipated or unintended consequences. Limits on the definition of allowable foods may create incentives for manufacturers to reformulate products to satisfy the new rule. This may be a positive development if the industry finds ways to improve the nutritional profile of the American food supply. It is not clear, however, that simply fortifying more foods is a desirable response to the obesity epidemic.⁸ Similarly, blanket restrictions on the purchase of higher fat foods may not serve the needs of families with young children. Dietary advice to reduce the level of fat in food consumed does not apply to very young children (who need fat for healthy development).

Relationship between Food Stamps, Food Consumption, and Dietary Outcomes

The body of research on the Food Stamp Program does not support the view that restricting food choices will result in more healthful food purchases and consumption or improved dietary

⁷ Roughly 70 percent of all food stamp households receive less than the maximum food stamp benefit, and so are expected to contribute a portion of their cash income to food purchases (see Table A-1 in *Characteristics of Food Stamp Households: Fiscal Year 2005*). According to the Consumer Expenditure Survey, average food expenditures by low-income households (for both food at home and away from home) exceeded the average food stamp benefit by about 40% in FY2004. While not all low income households are necessarily food stamp recipients, this data does suggest that some food stamp households have money for food expenditures which could be used for purchase of prohibited items.

⁸ There are instances when fortified foods may be advantageous. These include providing additional sources of certain nutrients that might otherwise be present only in low amounts in some food sources, providing nutrients in highly bioavailable forms, and where the fortification addresses a documented public health need.

outcomes. Research clearly indicates that participation in the program increases household spending on food. Food stamp recipients shop frequently and use careful shopping practices – such as comparing prices across stores, looking for store specials and stocking up on bargains – in order to stretch their food buying resources. A majority of benefits are spent on basic food items: vegetables, fruits, grain products, meat and meat alternatives account for nearly three-quarters of the money value of food used by food stamp households.⁹

Preliminary findings from a forthcoming USDA analysis of national food consumption data indicate that food stamp recipients are somewhat less likely to have adequate intakes of many key nutrients – including Vitamins A, B₆, C, and E; thiamin; riboflavin; folate; magnesium; iron, and zinc – than are higher-income individuals. But these differences are not the result of greater consumption of foods which would be likely targets for restrictions. For example, food stamp recipients are no more likely to consume soft drinks than are higher-income individuals, and are *less* likely to consume sweets and salty snacks.¹⁰

Food Category	Percent of Food Stamp Program Participants Consuming at Least Once per Day	Percent of Persons with Income over 130% of Poverty Consuming at Least Once per Day
Soft Drinks (Regular and Sugar-Free)*	61.0	59.2
Sweets	61.6	72.1
Salty Snacks	29.6	36.5

Sweets include jello, candy, ice cream, pudding, Ice/popsicles, muffins, sweet rolls, cake/cupcakes, cookies, pies/cobblers, pastries and doughnuts. Salty snacks include corn-based salty snacks, pretzels/party mix, popcorn, and potato chips.

* Difference is not statistically significant.

Finally, no evidence exists that Food Stamp Program participation causes obesity. While poverty is associated with obesity in some population groups and Food Stamp Program participation is closely linked with poverty, the independent effect of program participation on obesity is unknown.¹¹

Taken together, this research suggests that achieving dietary improvement among food stamp recipients is a complex challenge. It is not likely to be met by prohibiting use of benefits for a group of foods perceived as having limited nutritional value. Low-income consumers and food stamp recipients are subject to the same factors that influence food choices throughout our society – including marketing strategies, cultural preferences, the value of convenience, and

⁹ U.S. Department of Agriculture, Food and Nutrition Service. *Making America Stronger: A Profile of the Food Stamp Program*. September, 2005. Available at www.fns.usda.gov/oane.

¹⁰ Special preliminary tabulations of 1999-2002 data from the National Health and Nutrition Examination Survey prepared for the Food and Nutrition Service by Abt Associates.

¹¹ Linz, Paul, Michael Lee, and Loren Bell. *Obesity, Poverty, and Participation in Nutrition Assistance Programs*. Report prepared by Alta Systems for the Food and Nutrition Service, USDA, February 2005. Available on-line at www.fns.usda.gov/oane

personal tastes. Restricting the use of food stamp benefits would change only one variable in the complex calculus that results in a more – or less – healthful diet. More fundamentally, as the problems of poor food choices, unhealthy diets, and excessive weight characterize all segments of American society, the basis for singling out low-income food stamp recipients and imposing unique restrictions on their food choices is not clear.

Conclusion

The idea of restricting the food choices of food stamp recipients as a means of promoting dietary improvement among low-income Americans has serious conceptual and practical flaws. There are better alternatives for promoting healthier diets. One could, for example, consider incentives – rather than restrictions – to encourage purchases of selected foods (fruits and vegetables or whole grains, for example) by food stamp participants. Or one could expand and strengthen nutrition education and promotion to make sure that participants have the knowledge, skills, and motivation they need to make healthy choices. These approaches are more practical, and likely to be more effective than restricting choice in achieving the dietary improvements that promote good health.

USDA's 2007 Farm Bill proposals include a \$100 million investment to establish a five-year competitive grants demonstration program targeted at developing and testing solutions to the rising rates of obesity. These efforts would include rigorous independent evaluations to identify effective approaches, such as incentives at point-of-sale for purchases of fruits and vegetables by food stamp participants, grants to connect food stamp shoppers with farmers markets, and integrated communication and education programs to promote healthy diets and physical activity.

Appendix A: The Slippery Slope of Characterizing Foods

Why is it so hard make distinctions among individual foods?

Part of the problem is that foods contain many components that singly or collectively can affect health, and diets contain many foods. Attention paid to the presence or absence of single nutrients and to the relationship between those nutrients and particular diseases often comes at the expense of attention to the overall dietary pattern. For example, at the substantial risk of oversimplification, concerns about obesity may lead one to focus on calories and added sugars; concerns about chronic heart disease may lead to a focus on saturated fats, *trans* fats, and cholesterol; and concerns about hypertension may lead to a focus on sodium. Too narrow a focus, however, can lead one onto a slippery slope with puzzling results.

Consider these examples, derived from information on the Nutrition Facts panel:

- Soft drinks have less total fat, saturated fat, and sodium per serving than some granola bars.
- One manufacturer markets a low-calorie carbonated beverage fortified with calcium and real fruit juice that has fewer calories and total sugars (though more added sugars) per serving than a typical serving of orange juice.
- Some brands of potato chips have less sodium per serving than some of the most popular brands of breakfast cereal.
- Some candy bars have a lower percentage of calories from fat and less saturated fat than a serving of cheddar cheese.

At least two cautions apply to these comparisons. First, each is based on the serving size listed on food labels. While subject to regulation, serving sizes do not always reflect consumption patterns; comparisons of food as actually consumed may produce different results. Second, some of the foods listed here have other beneficial nutrients, and some do not. Drinkable yogurts, for example, can provide 25 percent or more of a wide range of vitamins and minerals in each serving; most soft drinks are not a significant source of any nutrient other than sugars.

Appendix B: Means of Assessing Nutritional Value

Even if agreement can be reached in principle on a conceptual approach to distinguish allowable foods from restricted foods, there remains the challenge of putting such definition into practice. Several approaches could be considered; however, each has significant drawbacks.

- **Expert and/or Stakeholder Opinion:** One could rely on “common sense” or the judgment of expert panels made up of dietetics professionals, physicians, public health researchers, and other stakeholders (consumers, producers, manufacturers, retailers). The problem with common sense and expert or stakeholder panels is that both can be influenced by a number of factors, not all of which are necessarily related to the nutritional value of the food under consideration. It is also unlikely that expert panels could render judgment on over 300,000 separate food items; they are more likely to recommend exclusion of broad categories (soft drinks, cookies, cakes, salty snacks, for example). This simply defers the item-by-item decisions that need to be made to implement a restriction at the check-out counters.
- **Foods of Minimal Nutritional Value:** National School Lunch Program regulations prohibit the sale of food of minimal nutritional value (FMNV) in competition with school meals. Foods are prohibited by category: soda water (carbonated beverages), water ices, chewing gum, and certain candies (including hard candies, jellies and gums, marshmallow candies, fondant, licorice, spun candy, and candy-coated popcorn). The definition of FMNV focuses on eight nutrients: protein, vitamin A, vitamin C, niacin, riboflavin, thiamine, calcium, and iron. FMNV can be exempted from the prohibition if they provide more than 5 percent of the Reference Daily Intakes per serving and per 100 calories (foods that are artificially sweetened are assessed only on nutrients per serving). This approach is a conservative one, identifying a limited set of foods that make the least contribution to a healthy diet.
- **A 5/20 Rule:** The Food and Drug Administration advises consumers to limit certain nutrients listed on the Nutrition Facts panel while consuming adequate amounts of others.¹² Foods providing 5 percent or less of the daily value (DV) are considered low in particular nutrients; foods that have 20 percent or more of the DV are considered high in the nutrient. Thus, for example, an allowable food could be defined as one which contains no more than 20 percent of the DV of total and saturated fats, cholesterol or sodium and no less than 5 percent of the DV of at least one of these nutrients: dietary fiber, vitamin A, vitamin C, calcium, and iron.¹³ One serious limitation of this approach is the absence of a daily reference value for added sugars and *trans* fats.¹⁴ In addition, some nutrients of concern across the lifespan are not required on the food label (such as potassium). Application of this approach may also conflict with current health recommendations for certain foods (such as certain nuts and fish high in omega-3 fatty acids). In practice, relatively few snack foods

¹² Food and Drug Administration. (2004). *How to Understand and Use the Nutrition Facts Label*, available on-line at www.cfsan.fda.gov.

¹³ Note that this is intended only as an illustration, and alternate levels of the thresholds and combinations of nutrients could be considered.

¹⁴ Note also that the sugars listed on the Nutrition Facts label include naturally occurring sugars (like those in fruit and milk) as well as those added to a food or drink.

would fail the 20 percent threshold for total fats and for saturated fat, and many of those that pass the 5 percent threshold would do so on the basis of their fiber content.

- **Food Composition Rules:** An analysis of foods under this approach would assess the level of selected ingredients contained in foods. This approach directly addresses the association between over consumption of certain food components and current public health problems. In practice ingredients could be assessed by their relative position on the ingredient list. Foods in which selected ingredients – including, for example, caloric sweeteners (including sugar and high-fructose corn syrup), hydrogenated oils, or salt – appear among the primary listed ingredients would fall onto the restricted list. This approach gives no weight to the presence of desirable nutrients. In addition, because ingredients are listed by weight, some foods that provide a relatively large proportion of the daily value of nutrients that should be avoided or consumed in moderation – the salt in potato chips, for example – may not fall onto the restricted list.
- **Nutrient Density Measures:** Drewnowski (2005) reviews various attempts to define and quantify the nutrient density of foods. Past efforts to quantify nutrient density have been based on a variety of calories-to-nutrient scores, nutrients-per-calorie indexes, and nutrient-to-nutrient ratios. Drewnowski proposes a naturally nutrient rich score based on the mean percentage daily values for 14 nutrients in 2000 kcal of food.¹⁵ In addition to requiring significant computational resources, the measure as defined is limited by the exclusion of all fortified foods. In addition, saturated fat, sodium, and other nutrients whose consumption should be limited, do not enter into the score.

¹⁵ Drewnowski, A. “Concept of a nutritious food: toward a nutrient density score.” *American Journal of Clinical Nutrition*, Vol. 82, No. 4, 721-732. October 2005.