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for the

**Committee on General Welfare**

on

**Fighting Hunger in New York City**

**November 23, 2010**

on behalf of

**Food Bank For New York City**

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## **INTRODUCTION**

Good afternoon and thank you, Chairperson Palma and members of the General Welfare Committee. The Food Bank appreciates the opportunity to present testimony today to the City Council regarding fighting hunger in New York City.

First, the Food Bank thanks the City Council and the General Welfare Committee for your consistent work to address the issue of hunger. And, the Food Bank commends the City's ongoing efforts to ensure city residents have access to affordable, nutritious food, such as increasing enrollment of eligible households in the Food Stamp Program and expanding the in-classroom School Breakfast Program.

Food Bank For New York City works to end hunger and food poverty by increasing access to nutrition, education and financial empowerment. We distribute food and provide support services to approximately 1,000 emergency and community food programs citywide; manage nutrition education programs for schools and community-based organizations (CBOs); operate income support programs including food stamp outreach & enrollment assistance and one of the largest Earned Income Tax Credit (EITC) program in the country; and conduct research to inform community and government efforts to end hunger in New York City.

Government data continue to paint a bleak picture of New York since the start of the recession: poverty, food insecurity and unemployment remain entrenched at high levels. Food assistance programs have felt the resultant pressure: demand at food pantries and soup kitchens increased across the city; food stamp enrollment has reached record levels.

## **2010: RECESSION PERSISTS FOR LOW-INCOME NEW YORKERS**

Nearly three years since the start of the recession in December 2007, more Americans are poor than at any time in the last half century, exposing just how limited and illusory reports of economic recovery have been. The number of people living in poverty throughout the U.S. increased by 3.8 million people from 39.8 million people (13.2 percent) in 2008 to 43.6 million (14.3 percent) in 2009, the highest poverty rate since 1994, and the largest number in the 51 years for which poverty estimates have been calculated.<sup>1</sup> This constitutes a nearly 17 percent increase from the 37.3 million people (12.5 percent) living below the poverty level in 2007, before the recession began.

Unsurprisingly, the employment picture is reflective of these conditions. While the unemployment rate in the United States is 9.6 percent (14.8 million people), down from 10.1 percent unemployment (15.6 million people) one year ago in October 2009, it is still almost double (an increase of 92 percent) from 5 percent unemployment (7.7 million people) at the start of the recession in December 2007.<sup>2</sup> Those out of a job spend approximately eight months, on average, without work – a duration more than doubled (from 16.5 weeks, or approximately four months) since then. And, an additional nine million U.S. workers are underemployed, nearly twice (an increase of 95 percent) the number (4.6 million) at the start of the recession in December 2007.<sup>3</sup>

Food insecurity, the federal measure that indicates limited or uncertain access to adequate food, has also increased. The number of food insecure individuals in the US increased from approximately 49 million (16.4 percent) in 2008 to approximately 50 million individuals (16.6 percent) in 2009 – a two percent increase.<sup>4</sup> State-level data released by the USDA this year show that the recession has caused a sharp increase in food insecurity in New York State.<sup>5</sup> Throughout New York, the three-year average (2007 to 2009) of the number of households living in food insecurity was 12.4 percent (approximately 941,000 households), up from 11.3 percent (approximately 858,000 households) in the 2006 to 2008 three-year period – a 10 percent increase.<sup>6</sup>

New York City's circumstances are no better. The city's poverty rate is 19 percent, with almost 1.5 million New Yorkers living below the federal poverty level (approximately \$18,300 annually for a family of three) – *meaning that roughly one in five New Yorkers earns less than half the*

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<sup>1</sup> Community Population Survey. (2009). U.S. Census Bureau.

<sup>2</sup> Bureau of Labor Statistics. (Oct. 2010). U.S. Department of Labor.

<sup>3</sup> Underemployment is characterized by the number of people who are employed part-time involuntarily due to economic reasons such as the inability to find a full-time position.

<sup>4</sup> Nord, M., *et al.* Household Food Security in the United States, 2009. (November 2010). U.S. Department of Agriculture.

<sup>5</sup> At the state level, sample sizes are smaller than the national data. Therefore, the USDA provides three-year averages on state-level food security data to provide reliable statistics. Sample sizes are too small to produce reliable city-level data.

<sup>6</sup> Nord, M., *et al.*

income needed to meet basic needs in New York City.<sup>7</sup> After eight consecutive months of double-digit unemployment that lasted into early 2010, local unemployment still rests at an uncomfortably high 9.3 percent, or 373,698 people – almost double (98 percent) that of the 4.7 percent unemployment rate (approximately 184,000 people) at the start of the recession in December 2007.<sup>8</sup>

The table below summarizes these indicators:

	Poverty (individuals, in millions)			Unemployment			Food Insecurity (Individuals)		
	Pre-recession (2007)	2009	Change	Pre-recession (Dec. 2007)	Oct. 2010	Change	Pre-recession*	Most recent**	Change
<b>US</b>	38.1	42.9	13%	7,696,000	14,843,000	93%	36,200,000	50,100,000	38%
<b>NYS</b>	2.6	2.7	4%	448,055	798,909	78%	858,000	941,000	10%
<b>NYC</b>	1.5	1.5	0%	183,681	373,698	103%	N/A	N/A	N/A

\* US food insecurity pre-recession data reflects 2007 figures. NYS food insecurity pre-recession data reflects 2006-2008 three-year estimate.

\*\* Current US food insecurity data reflects 2009 figures. Current NYS food insecurity data reflects 2007-2009 three-year estimate.

It is therefore no surprise that research conducted by the Food Bank and Marist College Institute for Public Opinion last year showed that 40 percent of New York City residents, 3.3 million, were experiencing difficulty affording food in 2009, an increase of 60 percent from 2 million (25 percent) in 2003.<sup>9</sup>

New York City food stamp (SNAP) enrollment rates increased to incorporate higher numbers of eligible families and individuals falling on hard times; as of September 2010, more than 1.75 million city residents are enrolled in the Food Stamp Program, marking a one-year increase of more than 12 percent, and an almost 50 percent increase (47.9 percent) in enrollment since the start of the recession, when approximately 650,000 fewer New Yorkers were receiving food stamps.<sup>10</sup> Today, nearly one in five New York City residents relies on SNAP for food purchases.

Food pantries and soup kitchens across the city are on the front lines of the crisis. In 2009, almost all (93 percent) emergency food sites in the city (food pantries and soup kitchens) witnessed an increase in the number of first-time visitors — and more than one-half saw an increase of more than 25 percent.<sup>11</sup> Despite substantial additional public and private resources

<sup>7</sup> There is broad consensus that the federal poverty level is an outdated calculation that does not adequately reflect need. The poverty measure, developed in 1960, does not take into account the cost of basic necessities such as housing, utilities, clothing or health care. Geographical differences in the cost of living are also not reflected within the measure. Research on basic living expenses conducted by Columbia University's National Center for Children in Poverty shows that families throughout the U.S. need an income of approximately twice (200 percent) the federal poverty level (approximately \$36,600 annually for a family of three), and in New York City 250 percent of the federal poverty level to meet basic needs [*Measuring Income and Poverty in the United States*. National Center for Children in Poverty, Columbia University. (2007)].

<sup>8</sup> Bureau of Labor Statistics. (Oct. 2010). U.S. Department of Labor.

<sup>9</sup> *NYC Hunger Experience 2009*. Food Bank For New York City.

<sup>10</sup> Analysis of SNAP data as reported by HRA.

<sup>11</sup> *NYC Hunger Experience 2009*. Food Bank For New York City.

to address the impacts of the recession – including an increase in private donations and increases to both emergency food and SNAP benefits in the federal stimulus package, the American Reinvestment and Recovery Act (ARRA)<sup>12</sup> – many emergency food sites experienced food shortages and were forced to compensate by scaling back services. During 2009, 59 percent of soup kitchens and food pantries ran out of food at some point and were forced to respond as follows:

- More than two-thirds (69 percent) of emergency food sites had to *reduce the amount of food per household*.
- Approximately one-quarter (24 percent) of emergency food sites *reduced the number of days or hours of food distribution*.
- Almost one-half (47 percent) of emergency food sites *turned away individuals*.<sup>13</sup>

## **2011: THREATS AND OPPORTUNITIES IN THE FIGHT AGAINST HUNGER**

As outlined above, many of the recent measures that provided a percentage of low- and middle-income households with some relief were not only intended to be temporary, they have not been sufficient to keep up with need that continues to remain at extraordinary levels. The recession response in 2009 and recent innovations in service delivery provide real lessons in fighting hunger, but the current legislative and fiscal environment presents real threats to further gains.

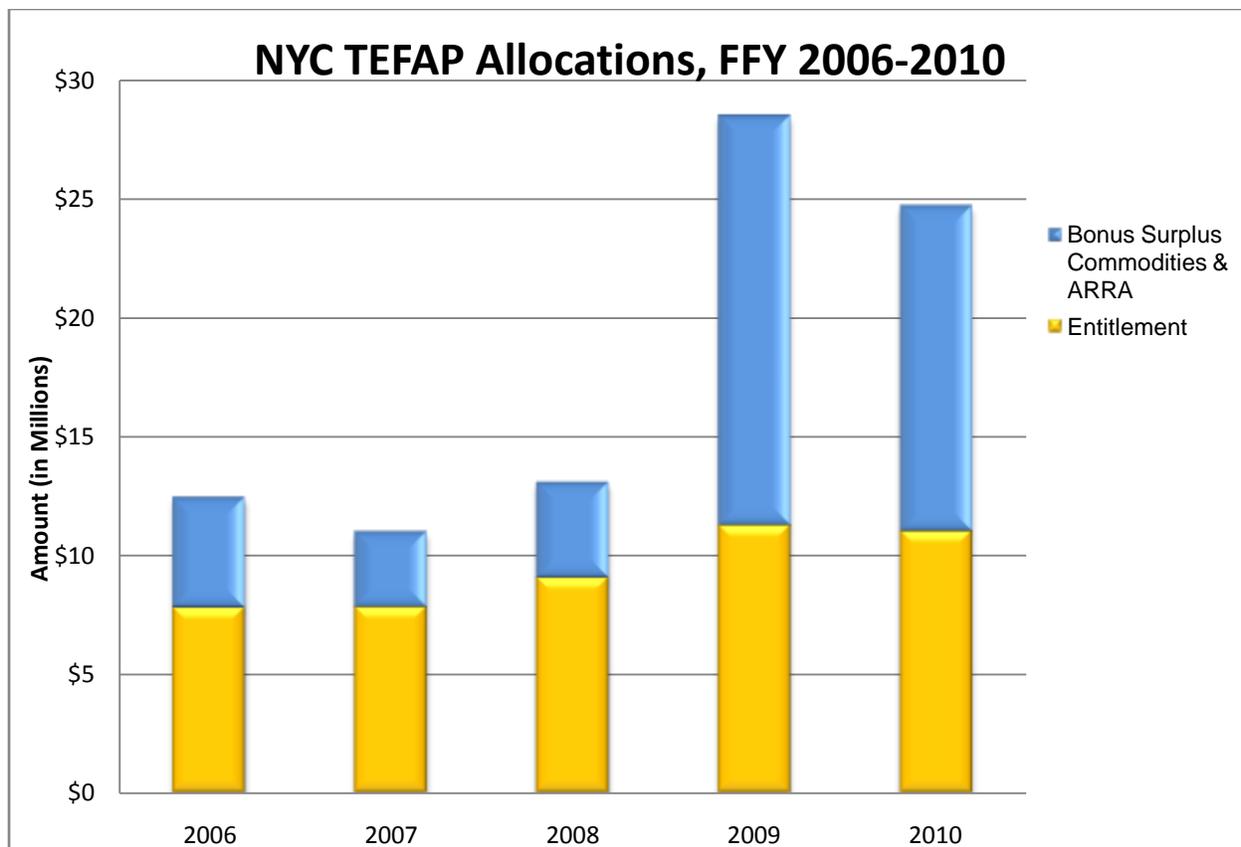
### *Emergency Food*

**TEFAP:** Increasing the supply of emergency food was one of the key measures put in place to address the spike in food poverty as a result of the recession. The Farm Bill's \$100 million increase to TEFAP entitlement funding began to flow through to emergency food organizations around the country late in 2008, but the full impact of the increase was not realized until 2009. In addition, ARRA provided a one-time increase of \$150 million for TEFAP, and for the first time in four years, the amount of surplus commodities streaming into TEFAP outweighed the entitlement portion of the program. Consequently, the total 2009 TEFAP package for New York City amounted to \$28.5 million, a 118 percent increase from the 2008 TEFAP funding level of \$13 million. Of the overall amount, however, a little less than 40 percent was TEFAP entitlement (a baseline, recurring amount), and the entitlement increase since 2008 was only 24 percent (\$2.2 million). The remainder of the food resulted from a combination of ARRA and surplus commodities, of which the former was exhausted in 2010 and the latter is unpredictable — for example, 2009 and 2010 TEFAP surplus commodities far exceeded amounts of the previous three years, as the graph on the next page illustrates.

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<sup>12</sup> ARRA also instituted the Making Work Pay Credit and increased other tax credits important to low-income tax filers, including the Earned Income Tax Credit (EITC) and Child Tax Credit).

<sup>13</sup> *NYC Hunger Experience 2009*. Food Bank For New York City.



The Food Bank For New York City is the main supplier of food to the city’s network of food pantries and soup kitchens. Last year, we distributed 74 million pounds of food, of which 14 million was fresh produce. TEFAP is the single largest source of food within New York City’s emergency food network, yet sustained TEFAP food supplies at current levels cannot be regarded as a guarantee: only about half of this year’s funding amount is budgeted to recur in the current federal fiscal year.

Unfortunately, State and City funding for emergency food has come under threat in the past year.

**HPNAP:** Gains in funding over recent years for the New York State Department of Health’s Hunger Prevention and Nutrition Assistance Program (HPNAP), the State’s funding for emergency food, have been lost to subsequent budget cuts and deficit reduction measures. State funding for the program reached a high-water mark in Fiscal Year (FY) 2008, when it was allocated \$33.3 million. The current State budget leaves HPNAP down \$3.6 million from that amount, at a baseline funding level of \$29.7 million. Any efforts to balance the State’s budget in the coming year must not come at the cost of food for New Yorkers struggling to provide for themselves and their families

- *Recommended Action:* Join us in advocating for additional funding for HPNAP and fighting any proposed cuts to HPNAP and other nutrition assistance supports.

**EFAP:** New York City’s Emergency Food Assistance Program, administered by the Human Resources Administration (HRA), is a \$10.2-million program that provides food to approximately

500 New York City food pantries and soup kitchens, and is the second largest single source of food in the emergency food network. Baseline EFAP food funding has remained flat since at least 2003, during which time wholesale food costs have increased 27 percent, whittling away its buying power year after year.<sup>14</sup>

The City Council has historically supplemented EFAP funding as part of the food pantries – HRA budget initiative. This was originally an initiative of the General Welfare Committee, and we thank this Committee for its continued support. This funding has allowed the Food Bank to make food purchases, including Kosher foods, lean meats, fruits and vegetables, that supplement foods in otherwise short supply in the emergency food network and that ensure food pantries and soup kitchens can provide nutritionally balanced food packages and meals to their clients. Recognizing that the emergency food supply is failing to adequately meet demand, funding designated for capacity expansion efforts at food pantries and soup kitchens has been used – by agreement with the City Council and HRA – in recent years for food as well.

Because EFAP funding is unresponsive to changes in food costs and demand, every year of flat-funding has effectively cut the effectiveness of the program as food poverty has deepened in New York City. We ask for this Committee's support to address this issue this year.

- Recommended Action: Increase funding for EFAP food by \$3 million in FY 2012.

Conceptually, emergency food is an important component of the work to end food poverty, as it ensures that families have access to immediate assistance while longer-term solutions are put in place. However, emergency food is designed to be a temporary measure, and absent resources being dedicated to long-term, sustainable solutions, emergency food is but a band-aid. Emergency food cannot be the beginning and end of what we do to address food poverty in New York City.

#### *Food Stamps (SNAP)*

**Child Nutrition Reauthorization:** Next week, the House of Representatives is expected to take up a bill reauthorizing the federal child nutrition programs, including school breakfast and lunch. While the bill makes some improvements to those programs, including a six-cents-per-meal increase to federal school lunch reimbursements, the Healthy, Hunger-Free Kids Act (S. 3307) would also cut \$2.2 billion from food stamp benefits – a cut to benefit amounts of about 15 percent – that would take effect in November 2013. In addition, the bill would cut an additional \$1.2 billion from nutrition education for SNAP-eligible children, seniors and adults. In all, 75 percent of the bill's \$4.5 billion price tag is paid for by cuts in benefits and services to low-income, food insecure individuals and families.

With approximately half of the 1.7 million SNAP recipients in New York City being children, this child nutrition bill will worsen low-income families' struggles to afford adequate food. In addition, it will deprive this City of the economic stimulus that redemption of SNAP benefits provides.<sup>15</sup> At current enrollment levels, this would amount to an approximately \$75 million loss in economic activity every month.

- Recommended Action: Oppose any federal cuts to SNAP benefits.

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<sup>14</sup> Producer Price Index. Bureau of Labor Statistics, US Department of Labor.

<sup>15</sup> Estimates of the multiplier effect range from \$1.76 to \$1.84 in economic activity for every SNAP dollar redeemed.

**Finger Imaging:** Finger imaging for SNAP applicants is a policy that discourages participation and stigmatizes both the program and recipients. It creates a barrier to access for applicants who are able to apply from community-based organizations either electronically via the Paperless Office System (POS), by mail or soon online through ACCESS NYC. Its merits, on the other hand, if any, are unproven.

- Recommended Action: *End finger imaging of SNAP applicants.*

**Targeted SNAP Outreach Initiatives:** This City Council has appreciated the potential for increasing SNAP enrollment by targeting outreach to populations with a high likelihood of eligibility. The Food Bank For New York City is currently working with HRA and the City's Department for the Aging (DFTA) to conduct targeted outreach to income-eligible seniors who receive the Senior Citizen Rent Increase Exemption (SCRIE). Similarly, the Food Bank is targeting SNAP enrollment to low-income tax filers who access our free Earned Income Tax Credit (EITC) tax assistance program during tax season. Last year, we identified one in six tax filers as income-eligible and interested in screening for SNAP benefits.

Without the City Council's support of Food Stamp outreach, prescreening and facilitated enrollment, programs like the Paperless Office System that allows New Yorkers to submit their food stamp applications from community-based organizations throughout the city rather than a food stamp office would not have achieved as great a degree of success. Programs like these streamline the application process both for applicants and HRA staff; as the City continues to face resource shortfalls, initiatives like these are cost-effective ways to extend the reach of the food stamp program and continue to reap the benefits it provides to our local economy.

- Recommended Action: *Expand City Council funding for Food Stamp outreach and education efforts.*

#### *School Meals*

In the 2009 school year, more than 750,000 children, or 75 percent of the city's total student population, were enrolled in free or reduced-price school meals, meaning their maximum annual household income was 185 percent of the federal poverty level (approximately \$40,800 for a family of four).<sup>16</sup>

**School Breakfast:** Despite the fact that school breakfast has been free and universal since 2004, breakfast participation has not seen substantial increases; the combination of stigma and inconvenience prevent many children from eating school breakfast as it's traditionally served, in the cafeteria 30 minutes before the start of the school day. Breakfast in the classroom has been proven to substantially increase breakfast participation, but only 178 schools currently participate, and only 19 of those offer it schoolwide.

- Recommended Action: *Support efforts to expand breakfast in the classroom.*

**Universal School Meals (Provision 2):** As part of the FY 2010 budget, SchoolFood's budget reductions led to the loss of more than 130 schools from a universal school meals program known as Provision 2. In this economy, budget cuts to free school meals are insensitive to the needs of low-income families.

- Recommended Action: *Stop further cuts to Universal School Meals.*

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<sup>16</sup> New York City Department of Education Consolidated Claims Report. June 2009.

## **SUMMARY**

Given that we are involved in all aspects of ending food poverty – from emergency food and income support, to nutrition education to allow low-income families to achieve a healthy diet long-term and sustainably – we appreciate that for low-income New Yorkers, measures to combat hunger are really a coherent set of services upon which they need to rely *in combination* in order to put food on the table. For them, it's not a choice between emergency food, SNAP or school meals – it's all of the above. A successful approach to ending food poverty must understand this, and policy and budget choices must reflect this as well.