Kentucky Grocers and Convenience Store Association Presentation to the Ky MAHA Task Force

KGCSA Board Chair Jimmy Stewart

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Ky MAHA Task Force

Economic Impact of Food Retailers in Kentucky

- Independent Grocers Economic Impact:
  - 389 stores
  - 1.2 percent contribution to Ky GDP
  - $939.2 million Direct economic impact on Ky
  - $123.6 million state tax contribution
  - 22,000 total jobs
    - 12,601 direct jobs
    - 9,382 indirect jobs

- Convenience Stores impact on Kentucky Economy:
  - $400 million (without fuel)
  - $18.9 billion (with fuel)
  - 14,700 total jobs (with fuel)

- Supermarkets impact on Kentucky Economy:
  - $11.1 billion in economic impact
  - 1,283 stores
  - 27,500 jobs

Supplemental Nutritional Assistance Program (SNAP)

- SNAP Economics:
  - SNAP benefit spending increased rural industrial output by 1.25%.
  - SNAP is responsible for 3,630 Ky grocery industry jobs. (independent)
  - SNAP is responsible for 1,876 jobs in supporting Ky-based industries including agriculture, manufacturing, transportation and municipal services. (independent)
  - Jobs required to administer SNAP at the grocery store level generated more than $129.1 million in grocery industry wages.

Supplemental Nutritional Assistance Program (SNAP)

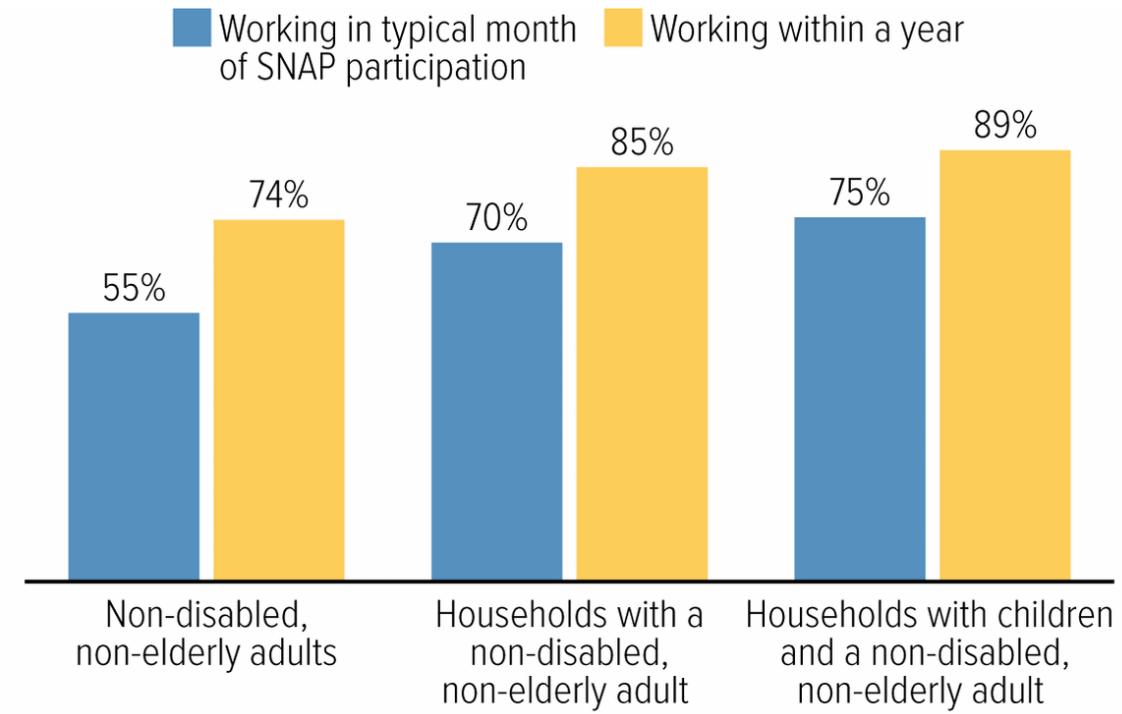
- Currently there are 4,616 Ky food retailers accepting SNAP.
- For every one SNAP dollar spent, it generates $1.79 in economic impact.
- National avg. of monthly SNAP benefit: $180
- SNAP reduces food insecurity by 30 percent.
- Total Ky participants: 575,835
  - 225,000 children
  - 73,000 seniors
  - 61,000 have disabilities

Supplemental Nutritional Assistance Program (SNAP)

- SNAP beneficiaries incur $1400 less in medical costs annually compared to low-income non-SNAP participants peers.
  - The difference is even greater for those with hypertension ($2,700 less) and coronary heart disease (more than $4,100 less).
- Nationally, 79% of SNAP beneficiaries are children, elderly, or those with a disability
- In 2019, 22,000 active-duty military, 213,000 National guard, and more than 1 million veterans of the 42 million nationally, participated in SNAP (2019 GAO report)
- SNAP is temporary
  - 26% of SNAP beneficiaries leave the program after 4 months.
  - 52% of SNAP beneficiaries leave the program after 12 months
  - 67 % of SNAP Beneficiaries leave the program after 24 months

Supplemental Nutritional Assistance Program (SNAP)

- Most SNAP Households work:



Note: Non-elderly, non-disabled adults are those aged 18 to 59 who are not receiving income from Social Security Disability Insurance or Supplemental Security Income. Household refers to all individuals living together who are covered by the same SNAP benefit. Non-elderly, non-disabled households are those in which the SNAP benefit owner or their spouse or partner is non-elderly, non-disabled. Working within a year = worked in a typical month of SNAP receipt (March 2015) or in the 12 months before or after. Households working within a year are those in which the SNAP benefit owner or their spouse or partner worked within a year.

Source: CBPP analysis of the 2014 panel of the U.S. Census Bureau's Survey of Income and Program Participation

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SNAP Transaction Information

According to multiple studies, SNAP consumers shop very similarly to non-SNAP consumers

50% of all SNAP transactions include another form of payment.

SNAP benefits in Ky:

- Are electronic
- Applied to a card that also contains cash government benefits (TANIF)

SNAP Transaction Information

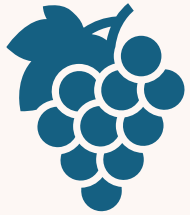
Based on nationally compiled store data:

SNAP Consumers stretch the monthly benefit in the following ways:

1st week the benefit added to card purchases:

- proteins, Eggs, ground beef, bananas (the mostly commonly purchased item on SNAP) and dairy

As the SNAP consumer shopper enters the final stretch of the month, they purchase more shelf-stable items such as breads cereal and pastas.



Shopping cart: according to nationally collected store data, items that go on the shopping belt last are eggs bread and bananas likely meaning that they are paid for with cash benefits, cash or other non-SNAP payment.

SNAP data

According to FMI—a grocery trade organization--USDA has not collected SNAP purchasing data since 2011.

Analysis of SNAP data conducted in 2016, was of purchases made of these purchasing behaviors from data collected in 2011.

Key data limitations:

Data excludes purchases from farmer's markets and other vendors.

Data doesn't exclusively evaluate SNAP benefit purchases, instead it evaluates SNAP beneficiary purchases regardless of purchase method.

- These data limitations are reported in *Foods Typically Purchases by Supplemental Nutrition Assistance Program Households. November 2016*

SNAP Policy to Improve Health Outcomes

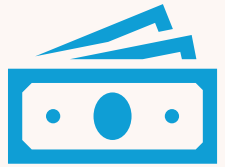
Food retailers encourage incentivizing healthy food purchases.

Expand SNAP programs that incentivize healthy foods purchasing such as:

Double Dollars

Gus Schumacher Nutrition Incentives Program

SNAP-ED



SNAP incentives and Produce Prescription programs are approaches authorized under the farm bill.

SNAP incentives provide matching dollars for SNAP benefits spent on fruits and vegetables.

Produce Prescriptions are issued by healthcare providers to patients whose health conditions could be improved by eating more fruits and vegetables.

SNAP Policy to Improve Health Outcomes

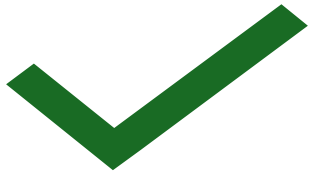
Concerns regarding SNAP restrictions:

There are nearly 600,000 items on a grocery store shelf with 20,000 new items entering the market annually. This will increase administrative costs for grocers and state agencies.

A SNAP customer will likely not reduce product purchases but instead purchases these items with cash government benefit or personal funds.

SNAP benefits are portable across state lines.

Patchwork quilt of SNAP restriction policies.



Others express:

"While improving dietary quality within SNAP is a shared objective, imposing restrictions without addressing broader systemin barriers is unlikely to achieve meaningful public health improvements and may harm the individuals the program is designed to support."—**Academy of Nutrition and Dietetics**

Studies show that increase in SNAP participation leads to lower increases in diabetes prevalence and a reduced reliance on prescription medication to manage care. **American Diabetes Association**

Questions

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