



Policy Perspective

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Is Oregon Really the Hungriest State in the Nation?

By John A. Charles

If numbers don't lie, Marie and her two little boys should be going hungry. A high school dropout at 17, she became pregnant, got married, and had a second child all by age 19. She separated from her husband at 20. She brings home \$500 a month as a receptionist for a garden products company.

Now 22, Marie (not her real name) has lived in more than half a dozen apartments and houses in east Multnomah County during the past five years. Until recently she relied on public transit, which limited her job options. Last year she bought a small Geo that her day care provider sold at a discount.

I've known Marie since she was 15, and have helped her through some tough times. Twice I co-signed on her lease to get her into a home through the Section 8 housing program, which provides vouchers for low-income people.

I hadn't seen her in awhile, and as we sit in her kitchen I ask her if she's ever been hungry. She says, "No." Many of her friends are unemployed or unstable, so I ask if they go hungry. She smiles and says, "No, not really. Most people find a way to eat if they're not lazy or irresponsible. Even if you're homeless and on the street, you always have places to go in Portland."

According to a U.S. Department of Agriculture (USDA) survey, approximately 13.7 percent of Oregonians during the past three years have been "food-insecure" at some time during the survey period. The survey also estimates that 5.8 percent of Orego-

nians had periods where they were "food-insecure with hunger," the highest percentage of any state in the country. These numbers are repeated endlessly by journalists and advocacy groups claiming to represent the interests of the poor. Oregonian newspaper columnist David Sarasohn is so obsessed he has his own "occasional series" on hunger.

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However, a close look at the survey methodology shows that Oregon's hunger problems are probably less severe than the media headlines suggest. Moreover, an analysis of other data sources shows that most Oregonians are better off than they were 10, 20

or 30 years ago, and that we can expect these trends to continue well into the future.

Using the safety net

Marie doesn't go hungry because she makes extensive use of the elaborate social safety net we've created over the past 40 years. She receives \$800 per month from the government in day care assistance, which allows her to work during the day. She also receives a housing voucher that reduces her out-of-pocket rent costs from \$795 to \$192 per month.

She qualifies for \$10 per month in food stamps, which she rarely uses, and has received gasoline vouchers in the past for her car. Her medical expenses are covered through the Oregon Health Plan. She recently received her General Education Diploma from Mt. Hood Community College, through a program paid for by the state.

If there's a program set up to help poor people, Marie knows where it is and how to use it. Her only complaint is that state caseworkers tend to be overloaded so they "take forever to help you out." She has to closely monitor her state aid through repeated phone calls to make sure her day care provider gets paid.

With actual monthly revenue in the neighborhood of \$2,000, most of it tax-free, Marie isn't looking for a better-paying job. What would be the point? With her limited job skills, it would be almost impossible to find a job that would pay her more than she already gets through day care assistance and Section 8 housing. She dreams of possibly becoming a nurse some day, but that's a vague ambition.

Based on her income, Marie lives in poverty, and might be classified as "food insecure" if she were part of a food insecurity survey. But her actual consumption of goods and services far exceeds her income, and she is never hungry.

Measuring Food Insecurity

The numbers used to discuss food insecurity are derived from annual surveys conducted by the U.S. Census Bureau. The history of the survey goes back to 1984, when the President's Task Force on Food Assistance decided a new measure of hunger was needed. They felt that traditional definitions of hunger were too closely aligned with malnutrition. Since malnutrition had virtually disappeared from America, there wasn't much to measure.

Hunger activists wanted a measure of conditions just prior to malnutrition, and they persuaded Congress to pass the National Nutrition Monitoring and Related Research Act of 1990,

which asserted a need for better monitoring of the nutritional state of Americans. Under the terms of the Act, the U.S. Departments of Agriculture and Health and Human Services would take the lead in helping create a sound national measure of "food insecurity" and hunger.

Over the next several years, researchers worked to come up with the survey methodology. According to the Oregon Center for Public Policy (OCPP), the "goal of these survey questions was not to identify individuals who were medically

malnourished. The goal was to identify households struggling to get enough food for active, healthy lives."

It's important to note how this new definition of the problem fit into the political agenda of many so-called "hunger activists," who generally

advocate for the redistribution of societal wealth through government control. Measuring the number of people who are malnourished would not be useful because that would be a tiny group. When the problem population is defined as those simply "struggling" to make ends meet, the survey will produce a much larger number. The results can then be used to scare politicians into enacting even more government programs.

Since 1995, the U.S. Census Bureau has surveyed some 40,000 households annually to assess food insecurity. Respondents are asked 18 key questions, and the answers place them on a continuum with "food-secure" at one end and "food-insecure with hunger" at the other end.

According to the USDA, food security means, "Access by all people at all times to enough food

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for an active, healthy life. Food security includes at a minimum: (1) the ready availability of nutritionally adequate and safe foods, and (2) an assured ability to acquire acceptable foods in socially acceptable ways (e.g., without resorting to emergency food supplies, scavenging, stealing, or other coping strategies)."

Food-insecurity means, "Limited or uncertain availability of nutritionally adequate and safe foods or limited or uncertain ability to acquire acceptable foods in socially acceptable ways."

Because of the way it's defined, food-insecurity does not actually measure the amount of food available to a family; it only measures food available in "socially acceptable" ways. One way deemed unacceptable is to rely on a food pantry or the food

stamp program, since these are "coping strategies." Thus, under this definition, no amount of charitable giving by Oregonians to a local food bank will ever reduce the number of Oregonians who are food insecure. That would probably surprise many food bank donors.

Approximately 13.7 percent of Oregon households were food-insecure during the years 1999-2001, while 5.8 percent of households had at least one person experience hunger at some point during the survey period. These numbers are actually lower than the 1996-98 period, when Oregon's rates were 14.2 percent and 6.0 percent, respectively, but that modest improvement is rarely mentioned in media accounts. What is discussed, in terms of righteous indignation, is that Oregon's rate for "hunger" was the highest of any state in the country.

The survey: Less than meets the eye

The annual federal survey drives the public dis-

cussion, but the numbers are deceiving. First, the actual hunger rates are just estimates. Due to sampling error, the best we can say is that Oregon's food insecurity rate probably lies between 10.7 and 14.5 percent, and that the hunger rate lies between 4.8 and 6.8 percent. Thus, Oregon's status as the "nation's hungriest state" is a myth perpetuated for political purposes; our rates may actually be lower than other states, but no one knows for sure.

Second, those reported as food-insecure with hunger are not chronically at risk; it means that they experienced hunger some time (possibly only once) during the previous year. The report states, "The prevalence of hunger on any given day was much lower than the annual rate; on a typical day in 2001, about 0.4 to 0.6

percent of households were food-insecure with hunger." This clarification is rarely, if ever, mentioned by mainstream journalists.

Mark Nord, the team leader for the federal research group that produces the annual reports, reiterated this point by saying, "The food security measure is quite sensitive temporally in that it reflects the worst conditions of the year. We keep saying this over and over in the reports."

Income, poverty trends tell a different story

Other statistical measures of human well-being strongly suggest that Oregonians are far better off than the food insecurity survey indicates. In fact, most trends related to food availability, income, and consumption are overwhelmingly positive, when measured over long periods of time. For instance, according to the Oregon State Audit, income per person in Oregon rose from \$16,398 in 1989 to \$28,224 in 2000. Na-

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tionwide, per capita income increased 48 percent (after adjusting for inflation) from 1970 to 2001.

These are averaged numbers, but what about those at the bottom of the income scale? According to the U.S. Census Bureau, a rising tide of wealth is lifting all boats, not just those of the rich. Between 1967 and 2001, the percent of all households earning less than \$15,000 annually dropped from 22 to 15, nearly the lowest level in history.

This percentage dropped because the number of affluent households is increasing. During that same period, the number of families with annual incomes greater than \$50,000 increased from 23 to 43 percent of all families.

The U.S. Census Bureau publishes a separate data set on poverty. Those numbers are also encouraging. Between 1959 and 2001, the official poverty rate in America dropped from 22.4 percent to 11.7 percent.

As good as this news is however, it actually understates how well off most Americans are because income is not the same as consumption. Those who have the lowest incomes are able to consume goods and services at rates far beyond their income due to social welfare programs and organized charity.

For example, in 1995, an average low-income household made \$6,305 a year before taxes. Consumption—what the poor spent, not what they earned—totaled \$13,130. This was possible due to Medicare, Medicaid, housing vouchers, food stamps, and numerous other income transfer programs.

Americans are eating better at lower cost

In terms of food availability, there has never been a better time to be alive than today. Consumers have far more choices, and they spend less of their disposable income on food than ever before.

Americans now consume about 50 percent more grain products and about 25 percent more fruits and vegetables per capita than they did in 1970; they also eat leaner meat and drink lower fat milk (surprisingly, per capita consumption of coffee dropped by 32 percent, not-

withstanding the meteoric rise of Starbucks).

Since incomes rose much faster than food prices, the amount spent by the typical family for food dropped as percentage of household income. According to the

USDA, the percentage of disposable personal income spent on food declined from 17 percent in 1960 to 11 percent in 1997. This freed up more household income for utilities, rent and recreation.

In 1994, the latest year for which comparable information is available, Americans spent only seven percent of their personal consumption expenditures for food to be eaten at home. This compares with 10 percent for Canada and 11 percent for the United Kingdom. In less developed countries, such as India and the Philippines, at-home food expenditures often account for more than 50 percent of a household's budget.

Good news is bad news for advocates

One would think these trends would make hunger activists happy. After all, today's poor

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are demonstrably better off than the poor were 30 years ago. In fact, many of today's lower-income households would have been considered middle class or better prior to WW II.

But for people whose primary goal is to redistribute wealth, good news is apparently bad news. When asked if she agreed that poverty rates were dropping, Patti Whitney-Wise, executive director of the Oregon Hunger Relief Task Force, said, "I would disagree with that. The poverty measurement level was put in place at a very different time. Things are out of sync because of the high costs of housing today. Also, today we have higher costs of child care because we have many more women in the workforce."

Kim Thomas, policy manager with the Oregon Food Bank, had a similar reaction. She said, "Poverty rates among working families with children have probably doubled from the 1970s to the 1990s.

In fact, just the opposite has happened. According to the U.S. Census Bureau, between 1959 and 2001, the poverty rate for families headed by a single female—the type of family most likely to face hunger—dropped from 49 percent to 29 percent.

Reading the newsletters of these groups, it's obvious that their political agenda goes beyond hunger. For instance, the Oregon Food Bank endorsed Ballot Measure 25 in the November election, which raised the state's minimum wage from \$6.50 an hour to \$6.90, and indexed it to inflation in the future. Will this really improve the lives of Oregon's underclass?

Most economists believe the minimum wage law is actually harmful to the poor and will worsen hunger problems. Nobel Prize-winning econo-

mist Milton Friedman noted 30 years ago, "The effect of a minimum-wage law is to produce unemployment among people with low skills. And who are the people with low skills? In the main, they tend to be teenagers and blacks, and women who have no special skills or have been out of the labor force and are coming back. This is why there are abnormally high unemployment rates among those groups."

When asked how Measure 25 would help reduce hunger, the Food Bank's Thomas said, "We were very aware of the claims that Measure 25 will increase unemployment. Several of our large corporate donors made those arguments. But I haven't

seen any data to support it. The last time we raised the minimum wage, in the early 1990s, the economy took off. We did not see a drop in employment."

Another policy being pushed by hunger relief advocates is universal free breakfasts at schools. We already provide free or reduced-price breakfasts to 6.7 million low-income students, so creating a costly new entitlement program for rich kids would not reduce hunger one bit. But advocates want to "remove the stigma" of being poor. As Whitney-Wise pointed out, "if you have free breakfasts only for poor kids, they feel bad so they tend not to use them as much as they should."

Some members of Congress are interested in this concept, and a small pilot project has been authorized to test universal free breakfasts in six public school districts across the country. Whitney-Wise said, "the pilots have shown that universal free breakfasts result in greater participation, higher test scores, and better classroom behavior."

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Unfortunately, a review by the USDA of that program reached a very different conclusion. The authors found that schools serving universal free breakfasts (deemed the “treatment” schools in research jargon) showed “no differences in math or reading scores across all grades when compared to the control groups”.

The study also found, “There was one significant difference on a behavior rating between the treatment and control school students. Treatment schools students had a slightly more negative rating. In addition, a significantly higher number of disciplinary incidents were recorded in treatment schools.”

The primary effect of the pilot so far has been to shift “the source of breakfast from home (or elsewhere) to school.” This is part of the hidden agenda for those advocating free breakfasts—an expansion of the nanny state and diminishment of parental responsibility.

Food is not really the issue

Since the cost of food is lower than at any point in history, there isn’t much to be gained by trying to further subsidize food purchases. Other areas of policy offer a bigger “bang for the buck” in terms of reform. One is the high cost of housing, typically the largest single expense for most families.

The biggest impediment to producing more affordable housing is the proliferation of zoning laws. State and local regulations regarding lot size, minimum density, and farmland preservation can add tens of thousands of dollars to the cost of an individual home, without providing any increased protection for public health or safety. As a recent paper by the Na-

tional Bureau on Economic Research noted, “In the places where housing is quite expensive, zoning restrictions appear to have created these high prices.”

People who care about hunger should be in the forefront of challenging Oregon’s burdensome land-use regulations. To date, that has not happened.

Another area of reform that could help low-income people would be tax relief. Lowering income tax rates would be the most direct way to put more money back in the pockets of hungry Oregonians. But that’s just the start; em-

ployers are hammered with a multitude of taxes that many employees don’t even know about, such as business license fees, taxes for unemployment benefits and social security, and (in Portland) the TriMet regional payroll tax. All of these taxes draw revenue

away from businesses that would otherwise be available for higher wages. Hunger activists should be working to lower or repeal many of these taxes.

Lifestyle choices matter

The USDA noted in its 2000 Guide to Measuring Household Food Security, “The success of the nation’s nutrition-assistance safety net, beginning with the National School Lunch Program in 1946 and later under-girded by the Food Stamp Program and special programs for unusually vulnerable groups, has meant that extreme forms of hunger, common in Third-World countries, have been virtually eliminated in the US.”

The challenge we confront now is that the last residual pockets of hunger may often be the result of

“Another area of reform that could help low-income people would be tax relief. Lowering income tax rates would be the most direct way to put more money back in the pockets of hungry Oregonians.”

poor lifestyle choices made by the hungry themselves. More than 30 percent of food bank users dropped out of high school (according to a Food Bank survey); others undoubtedly became parents before they were ready or developed costly tobacco and alcohol addictions that cut into their food budgets. Yet much of the literature produced by hunger advocacy groups avoids discussing these problems. To the contrary, most of the reports and newsletters treat low-income families as victims of an unjust economic system that must be reformed through greater regulation.

Actions have consequences, and attempting to “help” poor families without expecting something in return will not break the cycle of poverty. That explains the widespread failure of most welfare entitlement programs over the past 40 years.

Confusion about human rights

In 1991, the Oregon legislature adopted a state policy that “all Oregonians have a right to be free of hunger.” As is often the case, legislators apparently forgot to consult the Bill of Rights before

voting. The U.S. Constitution guarantees certain rights to opportunity, such as the right to assemble, to publish a newspaper, and to speak; it does not guarantee outcomes. Those are determined on the basis of natural ability and the work ethic of each individual. Legislating a “hunger-free” Oregon is not possible, and the attempt to do so by redistributing wealth will dramatically reduce individual liberty.

Former U.S. Supreme Court Justice Brandeis observed, “Experience should teach us to be most on our guard to protect liberty when the government’s purposes are beneficial. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greater dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding.”

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