

Nutrition Incentives for New Yorkers in Need

September 2019





Overview

Over the last decade, nutrition incentive programs to increase the purchase of fresh fruits and vegetables and other healthy foods by low-income residents have grown throughout New York State. These programs are funded and administered by different entities and vary in how they operate, including eligibility requirements, geographic availability, distribution method, and incentive amount.

To date, there has been no comprehensive inventory of nutrition incentive programs in New York State, and comparative information is limited. To help fill these gaps, this report provides a high-level profile of many of the existing programs and next steps for their continued development. The report also offers recommendations on how to make it easier for New Yorkers to participate in these programs and the need for a comprehensive evaluation to identify best practices for greater participation and more purchasing of healthier foods.





Background

FOOD INSECURITY AND THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM IN NEW YORK STATE

Food insecurity, defined as “a household-level economic and social condition of limited or uncertain access to adequate food,”¹ falls along a spectrum—from high food security (no difficulty or anxiety accessing food) to very low food security, in which at least one member of the household reduces their food intake and/or their eating patterns are disrupted.

Less extreme forms of food insecurity are marginal food security and low food security. Marginal food security is experienced when members of a household have anxiety or difficulty accessing food, though the quantity and quality of their diet does not decline. Low food security is experienced when the quality or variety of food a household consumes is reduced, though the quantity is adequate.

The Supplemental Nutrition Assistance Program (SNAP), the most well-known initiative designed to combat food insecurity, is a federal program that subsidizes the food budgets of low-income families and individuals to increase their access to food. In 2019, approximately 2.7 million New York State residents received SNAP benefits.² However, not all food-insecure households are enrolled in SNAP. Of food-insecure households that are income-eligible, roughly 25% are not enrolled in SNAP.³ Other New Yorkers may be food insecure but not eligible for SNAP; for example, about 6% of food-insecure children live in households with incomes that likely exceed the threshold to qualify for SNAP.^{4,5}

NUTRITION INCENTIVES TO PROMOTE HEALTHY FOOD PURCHASING

Although SNAP was devised to ensure adequate calories for households at risk of food insecurity, it is not explicitly designed for the purchase of healthy food. An analysis of transactions made with and without SNAP benefits in a New England supermarket chain showed that purchases made with SNAP benefits included less fresh produce and a greater

¹ U.S. Department of Agriculture, Economic Research Service, <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/definitions-of-food-security.aspx>, accessed September 2019.

² U.S. Department of Agriculture, Food and Nutrition Services, SNAP Data Tables, <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>, accessed September 2019.

³ Residents eligible for SNAP include those with gross monthly income up to 130% of the Federal Poverty Level (FPL); in 2019, the FPL for a family of four is \$2,720 a month, or about \$32,640 a year. States can modify eligibility requirements for enrolling in SNAP, depending on household composition and other household costs (e.g., dependent care expenses).

⁴ Hunger Solutions New York, <https://hungersolutionsny.org/hunger-nys/overview/>, accessed September 2019.

⁵ Food Research & Action Center, “State of the States: Profiles of Hunger, Poverty, and Federal Nutrition Programs,” http://www.frac.org/research/resource-library/state-of-the-states-profiles?post_type=resource&p=4483&state=New%20York, accessed September 2019.



Background (continued)

proportion of less healthy foods, such as sugar-sweetened beverages.⁶

To test ways to encourage healthful choices using SNAP benefits, the U.S. Department of Agriculture (USDA) Food and Nutrition Service conducted a 2014 pilot of financial incentives for purchasing fruits and vegetables at food retailers.⁷ The Healthy Incentives Pilot promoted purchases of fresh, frozen, or canned fruits and vegetables that had no added salt, sugar, or fat. For each dollar spent toward these specific products, SNAP recipients received a \$0.30 credit on their electronic benefits transfer (EBT) card. An evaluation of the pilot showed that participants spent more on fruits and vegetables, regularly had fruits and vegetables in the household, and consumed more produce.

Congress also allocated \$100 million in the 2014 Farm Bill for the Gus Schumacher Nutrition Incentives Program (formerly the Food Insecurity Nutrition Incentive program) to provide grants to local and state governments and community-based organizations to offer healthy food incentives to SNAP recipients. Building on the program's success, the 2018 Farm Bill more than doubled this funding to \$250 million over five years.

Nutrition incentive programs do lead to an increase in the purchasing of healthier foods, namely fruits and vegetables, by SNAP recipients, including more fresh produce from local farmers markets. These incentives have also decreased the purchasing of empty-calorie foods such as cookies, chips, and candy.^{8, 9, 10} Importantly, SNAP recipients maintain these behaviors even after participation in nutrition incentive programs has ended—continuing to buy more fruits and vegetables.^{11, 12}

⁶ Franckle R.L., Moran A., Hou T., et al. (2002). Transactions at a Northeastern Supermarket Chain: Differences by Supplemental Nutrition Assistance Program Use. *American Journal of Preventive Medicine*, 53, e131–38.

⁷ U.S. Department of Agriculture, Food and Nutrition Service, "Evaluation of the Healthy Incentives Pilot (HIP): Final Report 2014, <https://fns-prod.azureedge.net/sites/default/files/ops/HIP-Final.pdf>, accessed September 2019.

⁸ U.S. Department of Agriculture, Food and Nutrition Service, "Evaluation of the Healthy Incentives Pilot (HIP): Final Report 2014, <https://fns-prod.azureedge.net/sites/default/files/ops/HIP-Final.pdf>, accessed September 2019.

⁹ Baronberg S., Dunn L., Nonas C., Dannefer R., Sacks R., (2013). The Impact of New York City's Health Bucks Program on Electronic Benefit Transfer Spending at Farmers' Markets, 2006–2009. *Preventing Chronic Disease*, 10, E163, doi: 10.5888/pcd10.130113.

¹⁰ Fair Food Network, Food Insecurity Nutrition Incentive Grant Program (FINI) 2015: Grocery, Corner Store, Food Hub and Delivery Route Results, 2017, <https://fairfoodnetwork.org/resources/fini-grant-program-2015-grocery-corner-store-report/>, accessed September 2019.

¹¹ Gelliebetter A., Ang I., Bernales-Korins M., Hernandez D., Ochner C., Ungredda T., Miller R., Kolbe L., (2013). Supermarket Discounts of Low-Energy Density Foods: Effects on Purchasing, Food Intake, and Body Weight. *Obesity*, 21(12), E542–E548.

¹² Cohen A.J., Richardson C.R., Heisler M., et al. (2017). Increasing Use of a Healthy Food Incentive: A Waiting Room Intervention Among Low-Income Patients. *American Journal of Preventive Medicine*, 52(2), 154–162, doi: 10.1016/j.amepre.2016.11.008.



Nutrition Incentives in New York

Although nutrition incentive programs have become widespread across the United States following the introduction of the Gus Schumacher Nutrition Incentives Program in 2014, numerous programs in New York State predate these efforts. For example, New York City's Health Bucks program began in 2005, and the statewide FreshConnect program began in 2011. Nutrition incentive programs across the State continue to expand; of those reviewed for this report, the number of programs has grown from one in 2005 to six programs as of 2019.

NYSHealth has examined many of the nutrition incentive programs currently operating across New York State as of 2019. A list of these programs and their program administrators, along with a brief description, are available in [Table 2](#) in the Appendix on page 10. Each of the programs' characteristics are outlined in [Table 3](#) in the Appendix on page 11, including the following:

Source of funding: New York's nutrition incentive programs are generally supported through a mix of federal, State, or local government funds and private funding. Programs supported by both public and private funds include Double Up Food Bucks and Solutran's Healthy Savings.

Where incentives are distributed: Nutrition incentives are not always distributed to recipients at the same sites where they can be redeemed. Some incentives (e.g., FreshConnect) are distributed directly to consumers at farmers markets or at the Division of Veterans' Services, whereas others (e.g., Healthy Savings, Pharmacy to Farm Prescriptions) are distributed through community-based organizations, health care clinics, or other locales.

Where incentives may be used: Farmers markets and farm stands are by far the most common sites that accept nutrition incentives. However, a couple of programs in New York State (Healthy Savings and Double Up Food Bucks) allow consumers to use incentives at some supermarkets, corner stores, mobile markets, and food pantries.

Incentive format or currency type: Nutrition incentive programs initially used vouchers or tokens that consumers could redeem at points of sale to purchase fresh produce. Health Bucks, Pharmacy to Farm Prescriptions, Healthy Senior Healthy Shoppers, and Farm Fresh Cash all primarily rely on vouchers or tokens to distribute their incentives. In recent years, however, some programs (e.g., Double Up Food Bucks) have linked incentive dollars to redemption cards, which enable consumers to electronically roll over incentive balances and eliminates the need for vendors to track vouchers or tokens. This type of electronic currency is also designed to reduce the stigma associated with using vouchers and tokens.

Matching value or discount offered: Many nutrition incentive programs offer recipients an additional or matching value on dollars spent. Some programs, such as Health Bucks and



Nutrition Incentives in New York (continued)

FreshConnect, give participants an additional \$2 for every \$5 spent on eligible products. Others, such as Double Up Food Bucks and Farm Fresh Cash, offer recipients a 1:1 match on dollars spent; for example, a family that spends \$10 in SNAP benefits at a participating farmers market receives an additional \$10 in incentive dollars, which can be used to purchase fruits and vegetables. In other instances, the incentive is offered as a flat discount on eligible products (e.g., 50% off fruits and vegetables). Some programs also place limits on the dollar value of incentives that accrue by day, week, or month. For example, the Pharmacy to Farm Prescriptions program limits its incentive value to \$30 a month and Healthy Seniors Healthy Shoppers limits spending to \$4 a day. Double Up Food Bucks limits incentives to \$20 per day at farmers markets, corner stores, and mobile markets. Purchase limits and matches are generally based on the budget of each program, which are all capped at different amounts.

Comprehensive data on the total dollar amount of incentives distributed and redemption rates by participants in New York State are limited, as most programs do not track the number of unique participants who use nutrition incentives. **Table 1** below offers a snapshot of incentive distribution amounts and redemption rates for the programs in which data are available. Redemption rates varied depending on the program, but were as high as 91% in some years.

TABLE 1. INCENTIVE DISTRIBUTION AMOUNTS AND REDEMPTION RATES IN NEW YORK STATE

PROGRAM ADMINISTRATOR	PROGRAM	YEARS	INCENTIVE \$ DISTRIBUTED	INCENTIVE REDEMPTION %
FIELD & FORK NETWORK	Double Up Food Bucks	2014–2018	\$491,603	91%
CLINTON COUNTY HEALTH DEPARTMENT	Farm Fresh Cash	2016	\$7,560	N/A
		2017	\$30,820	56%
		2018	\$13,710	65%
NEW YORK CITY DEPARTMENT OF HEALTH AND MENTAL HYGIENE	Health Bucks (distributed at farmers markets)	2017	\$530,000	91%
	Health Bucks (distributed at community-based organizations)	2017	\$480,000	70%
	Health Bucks/Pharmacy to Farm Prescriptions (distributed at clinician offices)	2017	\$150,000	87%
NEW YORK STATE DEPARTMENT OF AGRICULTURE AND MARKETS	FreshConnect	2011	\$ 18,500	42%
		2012	\$ 94,900	53%
		2013	\$113,800	74%
		2014	\$ 61,490	70%



Nutrition Incentives in New York (continued)

In New York State, a majority of the incentive programs require participants to be enrolled in SNAP. There are exceptions, such as the Farm Fresh Cash program and for military veterans, servicemembers, and their family members participating in FreshConnect; these programs are available for food-insecure individuals and households, as well as individuals with diet-related chronic diseases, regardless of SNAP participation.





Future Considerations

As nutrition incentive programs continue to evolve across New York State, stakeholders should consider ways to make it easier and more convenient for both consumers and vendors/food producers to participate in these programs. NYSHHealth has identified some key issues for stakeholders to consider as New York State breaks new ground on improving access to and consumption of healthier foods for all New Yorkers.

1. Make Nutrition Incentives Available in More Supermarkets and Grocery Stores

Nutrition incentive programs should be replicable and scalable. However, the majority of these programs in New York State only allow incentives to be redeemed at farmers markets, most of which operate only during the growing season. In New York City, for example, only 22% of farmers markets participating in nutrition incentive programs are open year-round.¹³ Farmers markets also tend to draw higher-income customers, and SNAP users may avoid them because of the stigma associated with tokens and vouchers. Together, these factors limit the potential health benefits of nutrition incentives for low-income New Yorkers.¹⁴

Most SNAP recipients use their benefits at larger stores. Increasing the availability of incentives at supermarkets or super centers—where low-income customers more commonly conduct their food shopping—and simplifying the redemption process both have the potential to expand nutrition incentive programs' impact. Currently, supermarket-based nutrition incentives are very limited in New York State. Although some larger grocers in other states do accept nutrition incentives (via electronic methods), New York State lags behind.

Technology is a key barrier to the broader implementation of incentives at supermarkets. For example, each supermarket chain has its own proprietary IT system, making a one-size-fits-all method of redemption unfeasible. Policymakers should further explore ways to encourage and make it easier for supermarkets to invest in and accept nutrition incentives. To date, no large-scale investments nationally or in New York State have targeted this technology barrier.

2. Make More Nutrition Incentives Available to Food-Insecure Households Not Participating in SNAP

The overlap between food insecurity and SNAP eligibility is imperfect, and a significant

¹³ City of New York, NYC+Health Map, <https://a816-healthpsi.nyc.gov/NYHealthMap/home/ByServices?services=6>, accessed September 2019.

¹⁴ Freedman D.A., et al. (2016). Systematic Review of Factors Influencing Farmers' Market Use Overall and Among Low-Income Populations. *Journal of the Academy of Nutrition and Dietetics*, 116(7), 1136–55.



Future Considerations (continued)

proportion of households that have incomes too high to qualify for SNAP may face food insecurity at different times throughout the year. In New York State, about 25% of food-insecure households were not eligible for SNAP benefits in 2017.¹⁵ The majority, though not all, of nutrition incentive programs in New York State require SNAP enrollment. Expanding incentives to people who are not enrolled in or eligible for SNAP could benefit all food-insecure households, especially in light of current proposed federal measures to restrict the number of people receiving food assistance.¹⁶ Most programs that offer fresh produce subsidies to food-insecure households, regardless of SNAP participation, are not publicly funded and rely heavily on private funding. Identifying sources of continued support, from both public and private funds, will be required to expand incentives to non-SNAP participants.

3. Increase Data Collection to Inform Evaluations and Comparisons of Nutrition Incentive Programs

Research has demonstrated the financial and nutritional benefits of incentives to food-insecure households. However, no evaluation has been conducted, either nationally or in New York State, to determine **(1)** the number of consumers using nutrition incentives and **(2)** the most effective incentive amount, format (e.g., vouchers, EBT cards), and redemption site (e.g., farmers markets, corner stores). Although there may not be an ideal combination of nutrition incentive characteristics that can be standardized across locations and populations, more data on these factors will help inform future program design and implementation.

4. Encourage Program Alignment

There is wide diversity among nutrition incentive programs available in New York State, with variations in geographic availability and across program characteristics. New York State should consider issuing Requests for Proposals to fund programs that encourage program alignment across the State, and for more research to better understand the ratio of dollars spent to people reached, especially as evidence begins to build regarding the most efficient design of nutrition incentive programs.

5. Increase Awareness of and Demand for Nutrition Incentive Programs

Awareness of and participation in nutrition incentive programs—among both consumers

¹⁵ Hunger Solutions New York, <https://hungersolutionsny.org/hunger-nys/overview/>, accessed September 2019.

¹⁶ U.S. Department of Agriculture, Food and Nutrition Service, "Proposed Rule-Revision of Categorical Eligibility in the SNAP," 2019, <https://www.fns.usda.gov/snap/fr-072419>, accessed September 2019.



Future Considerations (continued)

and vendors—is low in New York State. On the market/vendor side, the business case has not been made about the potential advantages of accepting SNAP (and subsequently nutrition incentive programs), particularly at brick-and-mortar stores. The upfront costs of the technology required to accept incentives is also a barrier. Additionally, frontline employees (e.g., cashiers, managers) will need training in understanding and redeeming the incentives. This will require ongoing investment by businesses, as this workforce population has high turnover rates.

Expanding incentives to all points of purchase, including online purchases, will also increase demand for and use of incentives. Amazon, for example, is now accepting SNAP as part of a USDA pilot program in New York State. The goal of this pilot is to make the case for a national rollout of online SNAP redemption through Amazon and other online platforms. Use of nutrition incentives would ideally follow.

On the consumer side, increasing referrals to and enrollment in SNAP for eligible recipients will create more demand for nutrition incentive programs. Misunderstanding of the program, stigma, and the cumbersome enrollment process, especially among certain populations (e.g., seniors, immigrants, and the homeless^{17, 18}) has led to under-enrollment. As part of Governor Cuomo's goal to reduce household food insecurity by 10% in New York State by 2024, the State has requested a waiver from the USDA to allow for use of the Elderly Simplified Application Process (ESAP) for elderly low-income New Yorkers to enroll in and recertify for SNAP. ESAP includes a simplified application, longer certification periods, fewer reporting requirements, and a waiver of the recertification interview associated with applying for and maintaining eligibility for SNAP. Making SNAP enrollment easier for the elderly will ideally make the case for a simplified enrollment process for all SNAP-eligible users. Once consumers are enrolled in SNAP, it becomes easier for them to participate in nutrition incentive programs. At most farmers markets, corner stores, and supermarkets, it can be as simple as swiping a SNAP EBT card at the information booth or cash register.

¹⁷ The Center for Community Solutions, "Why Aren't More Older Adults Using SNAP?", <https://www.communitysolutions.com/arent-older-adults-using-snap/>, accessed September 2019.

¹⁸ Baylor University School of Social Work, Texas Hunger Initiative, "Unaccompanied Homeless Youth Access to SNAP," <https://www.theotx.org/wp-content/uploads/2016/02/Unaccompanied-Homeless-Youth-Access-to-SNAP-Policy-Brief.pdf>, accessed September 2019.



TABLE 2. OVERVIEW OF NUTRITION INCENTIVE PROGRAMS IN NEW YORK STATE

CLINTON COUNTY HEALTH DEPARTMENT	
Farm Fresh Cash	Farm Fresh Cash is a voucher program that supplements purchases at participating farmers markets and stands by offering participants \$1 for every \$1 spent on fresh fruits and vegetables. Farm Fresh Cash is distributed at participating farmers markets and community-based organizations.
FIELD & FORK NETWORK	
Double Up Food Bucks	Participants receive Food Bucks matched to the value spent on SNAP-eligible food items, which can be used to purchase fresh fruits and vegetables. Field & Fork Network first introduced this incentive in 2014 in Western New York, and is working to expand it to other regions of the State. Food Bucks can be used at participating farmers markets, healthy corner stores, and mobile stores. At a co-op market in Buffalo, participants instead receive a 50% discount on all eligible fruits and vegetables, a service implemented in 2019.
Garden Share Bonus Bucks (income-restricted)	Bonus Bucks are offered to income-eligible residents of St. Lawrence County who are not currently receiving SNAP benefits. The program offers a 1:1 match for dollars, up to \$250, during the growing season for qualified purchases at five participating farmers markets in St. Lawrence County. Alternately, participants can use Bonus Bucks to subsidize the purchase of a Community Supported Agriculture (CSA) share.
HARVEST HOME	
Healthy Seniors Healthy Shoppers	Through a collaboration with senior centers, government agencies, community boards, hospitals, nonprofits, schools, and health clinics as distributors of program vouchers, this program promotes healthy eating and addresses disparities in health outcomes for chronic diseases among senior citizens. This program offers senior citizens who are receiving SNAP benefits \$4 a day to purchase fruits and vegetables at participating farmers markets. Throughout the market season, senior citizens may receive and use these vouchers once per day.
NEW YORK CITY DEPARTMENT OF HEALTH AND MENTAL HYGIENE	
Health Bucks	The Health Bucks program offers SNAP recipients \$2 for every \$5 spent in SNAP benefits to purchase fresh fruits and vegetables at farmers markets. Health Bucks are distributed at participating farmers markets and community-based organizations throughout New York City.
Pharmacy to Farm Prescriptions	Available to SNAP recipients who have high blood pressure. Upon filling a prescription for high blood pressure medication, they receive \$30 in Health Bucks each month at physician offices that can be redeemed for fruits and vegetables at participating farmers markets in New York City.
NEW YORK STATE DEPARTMENT OF AGRICULTURE AND MARKETS	
FreshConnect	Consumers receive \$2 coupons that can be used at participating farmers markets across New York State to purchase any SNAP-eligible item. Eligibility for FreshConnect coupons is extended to military veterans, servicemembers, and their family members who are not enrolled in SNAP. These coupons can be obtained at participating farmers markets and community-based organizations, and through the Division of Veterans' Services.
Just Say Yes to Fruits and Vegetables: Regional Food Bank Health Bucks	Just Say Yes offers nutrition education at eight regional food banks and provides Health Bucks (\$2 for every \$5 on eligible purchases) to participants in its workshops.
PUBLIC HEALTH SOLUTIONS	
Solutran's Healthy Savings	The Healthy Savings Card allows consumers to take 50% of purchases for healthy foods at participating supermarkets in New York City, up to a \$10 total value. Healthy foods are considered to be fresh, frozen, or canned fruits and vegetables without added fat, sugar, or salt. Eligible consumers can apply for a Healthy Savings Card online.



TABLE 3. INVENTORY OF NUTRITION INCENTIVE PROGRAMS IN NEW YORK STATE

PROGRAM ADMINISTRATOR	PROGRAM START DATE	ELIGIBILITY REQUIRES SNAP?	AVAILABILITY	SOURCE OF FUNDING			WHERE ARE INCENTIVES DISTRIBUTED?				WHERE CAN INCENTIVES BE USED?			INCENTIVE FORMAT OR CURRENCY TYPE			MATCHING VALUE OR DISCOUNT AMOUNT		
				FEDERAL	STATE/ LOCAL	PRIVATE	FARMERS MARKETS	COMMUNITY-BASED ORGANIZATIONS	CLINICIAN OFFICES	OTHER	FARMERS MARKETS/ FARM STANDS	SUPERMARKETS	CORNER STORES	VOUCHER	TOKEN	REDEMPTION CARDS	MATCHING VALUE/ DISCOUNT	LIMIT	
CLINTON COUNTY HEALTH DEPARTMENT																			
Farm Fresh Cash	2016	No	Clinton County		X	X	X	X			X	X			X			\$1:\$1	None
FIELD & FORK NETWORK																			
<i>DOUBLE UP FOOD BUCKS</i>																			
Farmers markets	2014	Yes	Columbia, Clinton, Erie, Niagara, and St. Lawrence counties	X	X	X	X	X				X				X	X	\$1:\$1	\$20 per day
Corner stores	2016	Yes	Erie County	X	X	X		X			X			X			X	\$1:\$1	\$10 per day
Mobile markets	2015	Yes	Erie, Monroe, and Niagara counties	X	X	X		X			X			X			X	\$1:\$1	\$10 per day
Co-op market	2019	Yes	Erie County	X	X	X		X			X		X				X	50% off	None
Garden Share Bonus Bucks (income-restricted)	2019	No	St. Lawrence County			X	X					X			X	X		\$1:\$1	Up to \$250
HARVEST HOME																			
Healthy Seniors Healthy Shoppers	2016	Yes	New York City	X	X		X	X	X	X	X			X				N/A	\$4 per day
NEW YORK CITY DEPARTMENT OF HEALTH AND MENTAL HYGIENE																			
Health Bucks	2005	Yes	New York City	X	X		X	X			X					X		\$2:\$5	None
Pharmacy to Farm Prescriptions	2016	Yes	New York City	X	X				X		X			X	X			\$2:\$5	\$30 per month
NEW YORK STATE DEPARTMENT OF AGRICULTURE AND MARKETS																			
FreshConnect	2011	Yes	Statewide		X		X	X			X			X				\$2:\$5	None
FreshConnect (for participants who are military veterans, servicemembers, and their family members)	2018	No	Statewide		X						X							\$2:\$5	None
Just Say Yes to Fruits and Vegetables: Regional Food Bank Health Bucks	2016	No	Statewide	X	X		X			X	X			X				\$2:\$5	None
PUBLIC HEALTH SOLUTIONS																			
Solutran's Healthy Savings	2019	Yes	New York City	X	X	X				X		X				X		50% off	\$10