A long-term strategy to address food insecurity:

THE RETAIL SNAP INCENTIVE PROGRAM

What are SNAP incentives?

SNAP incentives are additional bonus dollars given in the form of a discount or rebate on fruit and vegetable purchases to encourage SNAP customers to spend their benefits on healthy produce.

SNAP incentives have been shown to:

- Improve diet and nutrition in SNAP recipient households
- Reduce food insecurity
- Support farmers and boost the local economy

In Rhode Island, SNAP incentives are currently only offered at farmer's markets and Food on the Move mobile produce market. Yet 90% of SNAP dollars are redeemed in the retail setting.

COMMUNITY STAKEHOLDERS

The Rhode Island Public Health Institute has emerged as the lead organization of a team of community stakeholders to implement a Retail SNAP Incentive Program.

In 2019, through funding provided by American Heart Association & Robert Wood Johnson Foundation Voices for Healthy Kids Program, RIPHI led a coalition of engaged community members and stakeholders to design a Retail SNAP Incentive Program.

This work secured commitment from the RI Department of Human Services to administer the program long-term.

DID YOU KNOW?

SNAP provides the largest single source of meals for low-income families in Rhode Island.

- 44% of all meals consumed by low-income households are supported by SNAP.

THIS DOCUMENT IS TO PROVIDE A BACKGROUND AND OVERVIEW OF THE WORK TO DATE TO DESIGN A FRAMEWORK FOR THE IMPLEMENTATION OF THE RETAIL SNAP INCENTIVE PROGRAM (RSIP) IN RHODE ISLAND.
Food Security & SNAP
The Supplemental Nutrition Assistance Program (SNAP) is a program central to U.S. food security. SNAP provides the largest single source of meals for low-income families in Rhode Island (RI), supporting 44% of all meals consumed by low-income households.\(^1\) Approximately 1 in 7 Rhode Island residents received SNAP in 2019.\(^2\)

The RI Department of Human Services (DHS), which administers the SNAP program, reported that the average family of four participating in SNAP received $425 per month in benefits.\(^3\) This equates to approximately $1.18 per person per meal in SNAP benefits each month.

For many individuals, SNAP helps alleviate poverty and supplements food budgets, but in many cases, SNAP is insufficient to ensure a nutritious diet, as fresh produce is extremely expensive. Poor eating habits can lead to the development of chronic disease conditions such as diabetes, hypertension, heart disease and obesity.\(^4\)

Research has shown that SNAP participants are more likely to be hospitalized at the end of the month, when food budgets are depleted, often for preventable diet-related chronic illnesses.\(^5\) Improving access to healthy affordable food can help individuals better manage their chronic disease and reduce healthcare costs.

Why is it important to implement a Retail SNAP Incentive Program in RI?
SNAP incentives are additional bonus dollars given in the form of a discount or rebate on fruit and vegetable purchases made by SNAP recipients to incentivize the purchase of healthy fruits and vegetables. RIPHI’s mobile produce market program, Food on the Move (FOTM), as well as Farm Fresh RI’s farmers’ markets, offer SNAP beneficiaries the opportunity to receive a 50% discount on their purchase of fresh fruits and vegetables. Through an evaluation of Food on the Move, RIPHI was able to gather data, highlighted here, that demonstrates the positive effects of the SNAP incentive discount offered. While both of these SNAP incentive programs offer great benefits, most SNAP recipients shop in retail settings. Bringing SNAP incentives to grocery stores would enable many more SNAP recipients increased access and affordability to fresh fruits and vegetables. This is also a public health plan that will also serve to boost the economy through increased purchasing power of SNAP recipients. Local farmers, retailers and produce distributors will also benefit from an increase in produce demand and sales.
WORK TO DATE

RIPHI is leading a coalition of stakeholders across public, private and non-profit sectors to implement the Retail SNAP Incentive Program. The RI Department of Human Services (DHS), who currently administers the SNAP program, supports this effort and would be the permanent administrator for the Retail SNAP Incentive Program.

The agreed upon program design is as follows:

- SNAP Recipients will receive the incentive on fresh fruit and vegetable purchases only
- SNAP Recipients will receive the incentive as a 50% rebate back onto their EBT Card
- SNAP Recipients will receive the rebate with a monthly cap to be determined by the amount of funds raised and currently, tentatively set at $25 / month
- DHS will be the long – term home and administrator for this program

Next Steps

The goal is to see SNAP incentives offered in grocery stores and other retail settings across Rhode Island. To do this, implementation of short-term and long-term funding strategies is critical. To meet these short-term funding costs for a pilot program, submission for a federal USDA GusNIP grant will be the priority strategy. Parallel to this short-term funding plan, exploration of long- term funding streams, including a health insurerer payer model and the passing of a Sugar-Sweetened Beverage tax, are under investigation.
**Expected Impacts**

SNAP incentives have the potential to alter the food landscape throughout Rhode Island. Incentivizing the purchase of fresh produce for low-income Rhode Islanders will encourage healthy eating behaviors, as evidenced by the Massachusetts Healthy Incentives Pilot (HIP) which saw a 26% increase in consumption of target fruits and vegetables in participants as compared to nonparticipants.⁶

Increased fruit and vegetable consumption is linked to a reduced risk of hypertension,⁷ and increased consumption of certain vegetables is linked to a reduced risk of diabetes in some populations. In Rhode Island, at least 17% of adults have hypertension and 9% have diabetes.⁸ Overall, research suggests that incentivizing fruit and vegetable consumption, by reducing the burden of noncommunicable diseases, is likely to reduce public spending on Medicaid and Medicare.⁹

In addition to the population health benefits, we anticipate economic benefits including the creation of jobs in the retail, farming, and distribution industries. Participating retailers in Michigan experienced a 34% increase in produce sales between 2015 and 2016 following implementation of their SNAP incentive program.¹⁰ Similar outcomes in RI could lead to an increased workforce in the areas that support retail produce sales.

**We envision a Rhode Island with equitable access to fresh fruits and vegetables for all people, and we believe SNAP incentives are an important way forward.**
THE RETAIL SNAP INCENTIVE PROGRAM REFERENCES


3 Bethany Caputo, e-mail communication, October 3, 2019.


