

Oppose Increasing the Sales Tax on Food in Utah

What is Food Insecurity?

The U.S. Department of Agriculture defines food insecurity as: “reduced quality, variety, or desirability of diet” or “disrupted eating patterns and reduced food intake.”

Food Insecurity in Utah

- 1 in 9 Utah households experience food insecurity. (USDA, 2018)
- 1 in 6 households with children experience food hardship. (Food Research and Action Center, Sept. 2016)

Do Grocery Food Sales Taxes Cause Food Insecurity?

YES

According to a study by Wilson et al (2016)* a grocery tax was found to significantly impact the food security status of households who did not participate in SNAP. Specifically, a 1% increase in the grocery tax increased the probability of non-SNAP households being food insecure by 0.60%.

The study concludes: “The correlation that we are able to report says that in the presence of the tax we see a higher rate of food insecurity”*

Other findings:

- Grocery taxes had a greater impact on households not participating in SNAP (food stamps):
 - Non-SNAP participants had a 10% higher likelihood of being food insecure
 - Research also found that the probability of non-SNAP households being food insecure increases for:
 - Immigrant households (5%),
 - Number of children in household (2.2%), and
 - Households with a disabled member (14.6%)

If these findings hold true for Utah, the proposed increase of the sales tax on food, from 1.75% to 4.85%, could increase food insecurity by 1.8%

*Source: Wilson, Zheng, Burney, Kaiser (2016) *Do Grocery Taxes Cause Food Insecurity*. <http://purl.umt.edu/235324>

UTAHNS AGAINST HUNGER

According to the USDA

- Low-income Americans spend 34.1% of their income on food.
- Middle-income families spend 13.4 % of income on food.
- SNAP (food stamps) benefits are only intended to cover about 70% of a household food budget.
- The most recent data indicates that in Utah, only 70% of all eligible individuals participate in SNAP, and only 65% of working poor individuals participate in SNAP.

Do SNAP Households Spend Their Own Money On Food?

YES

- According to the USDA, about 75% of SNAP households use their own money, in addition to SNAP benefits, to buy food. In Utah that equals 56,250 families.
- However, if there is an increase in SNAP benefits households do spend less of their own cash on food - leaving them more money to purchase other household necessities, like; toiletries, paper products and cleaning products.

A Profile of SNAP in Utah

- Currently about 75,000 households receive SNAP benefits.
- Average household size: 2.37
- Average benefit per household/month: \$338
- Average SNAP benefit per meal: \$1.23

SNAP Households:

- 36.16% headed by a single parent
- 15.26% with someone 60 years or older
- 29.36% with someone who has a disability

SNAP Individuals:

- 52.47% are age 17 or younger
- 12.63% have a disability
- 6.76% are age 60 and up