

Economic Impacts of Oregon's Double Up Food Bucks Program- 2022



Prepared for:



Prepared by

Highland Economics, LLC
2425 NE 50th Ave., Suite 13103
Portland, OR 97213
www.highlandeconomics.com



EXECUTIVE SUMMARY

The Oregon Double Up Food Bucks Program (DUF�) provides financial incentives to Oregonians receiving food support benefits through the Supplemental Nutrition Assistance Program (SNAP) to increase their fruit and vegetable (F&V) consumption. At participating farmers markets, farm share programs¹, and grocery stores, DUF� doubles each dollar a household spends on fresh F&V. Specifically, DUF� provides an extra dollar for F&V purchases for every SNAP dollar spent on fresh fruits and vegetables, up to a weekly limit. As such, DUF� enables recipients to stretch their food dollars and double their purchase of F&V.

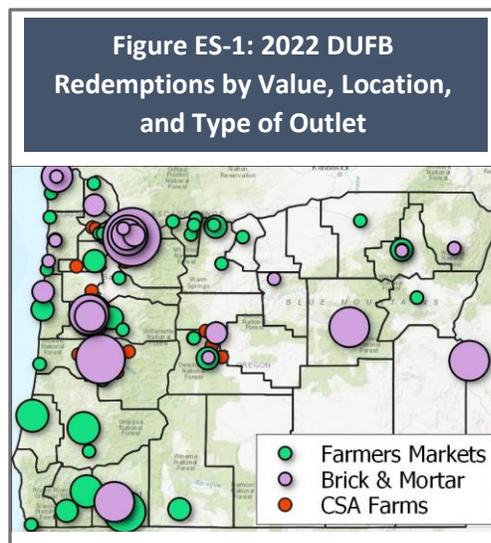
DUF� provides myriad benefits to Oregonians, including increasing SNAP recipients' consumption of healthy foods and enhancing their health, as well as enhancing their overall well-being by increasing their financial resources. By increasing fresh food consumption, much of it sourced locally, DUF� provides an economic boost to Oregon farms, local food vendors, and other food sector businesses, thereby supporting employment and income throughout the state.

This report presents information on each of these benefits of Oregon's DUF� Program. The scope of the analysis findings presented here is to:

- 1) Describe the scale of the program, including the magnitude and location of DUF� incentive spending, and growth in the program in recent years,
- 2) Identify the benefits of DUF� on participant health and recipient wellbeing,
- 3) Estimate the economic impacts and importance of the program for Oregon farms, food vendors, and other sectors, and
- 4) Qualitatively identify other social benefits of the program.

Key findings on program size, type, location of redemptions:

- DUF� has expanded rapidly, with redemptions in 2022 totaling \$2.26 million, a growth of over 130% from 2021.
- There were 141 participating food outlets accepting DUF� in 2022, of which 84% were farm direct outlets (farmers markets and CSA's).
- Nearly 60% of DUF� spending in 2022, or \$1.3 million, was farm direct purchase of F&V at farmers markets and CSA's. Accounting for the Oregon farm share of DUF� spent at grocery stores, **66% of DUF� spending flows through Oregon farms.**
- There are approximately 424,000 households across Oregon eligible for DUF�; **if DUF� expanded to reach all eligible households, redemptions could total \$258.9 million, or approximately 100 times the current program size.**



¹ Farm share programs are often referred to as CSA, or community supported agriculture programs.

Key findings on DUFB program benefits in increasing recipient food security and access:

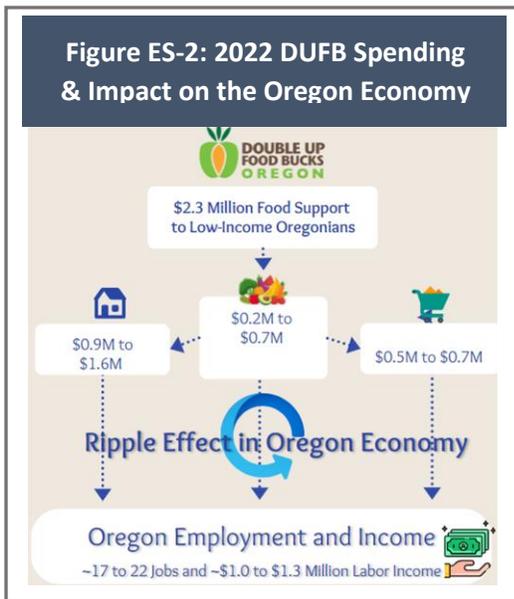
- On average, low-income households purchase only half as many fresh F&V as high-income households. By doubling F&V purchasing power, **DUFB has the potential to bring low-income Oregon household consumption of fruits and vegetables up to par with higher income households, increasing equitable access to nutritious food.**
- In 2023, 24% of surveyed Oregon DUFB participants indicated that they met or exceeded either fruit or vegetable daily consumption recommendations.
- A geospatial analysis the area covered by DUFB outlets across the state indicates less than 25% of the area in the state is within a 20 mile distance of rural outlets or 1 mile distance of urban outlets.² However, the **DUFB covered areas are home to 87% of the state’s population, and represent more than 80% of the population considered low income (LI) as well as low income low access (LILA) census tracts.**
- DUFB increases access to farmers markets, and access to locally sourced food can enhance health because fresher foods retain more nutrients, and because consumption of nutritious foods such as fruits and vegetables increases when consumers have access to more appealing/higher quality options.

Key findings on DUFB benefits in health and other welfare benefits to recipients of DUFB:

- DUFB program participants that increase their F&V consumption are expected to enjoy better health and incur reduced health care costs due to reduced probability of diabetes, heart disease and stroke; the level of benefit varies with the degree that participants increase their consumption of F&V, estimated in this study at 10% to 30%.³
- **For every \$1 in DUFB incentives and program cost, there is an expected \$0.50 to \$2.58 in reduced healthcare costs**, assuming long-term investment in the program and lifetime participation by households. Applied to the \$2.94 million in DUFB incentives and program costs in 2022, this represents reduced healthcare costs of between \$1.47 million and \$7.57 million annually.
- **Benefits from increased quality of life years (QALYs) from DUFB are expected to be a cost-effective health intervention** (defined as a cost of less than \$50,000 per QALY).
- While all DUFB incentives are spent on F&V as required by the program, DUFB supplements the food budget of low-income recipients which enables them to increase spending of other income sources on non-food goods and services (estimated as high as 40% to 70% of DUFB incentive value), **supporting both recipient quality of life and economic sectors throughout the Oregon economy.**
- DUFB increases access to farmers markets and connection to local food systems, which can enhance people’s community attachment and sense of place, help to build social relationships and community, and support development of healthy dietary habits in children.

² This is consistent with the Food Access Research Atlas definition of access.

³ Numerous studies have shown increased F&V spending and consumption with food assistance, but there is a high level of uncertainty on exactly how much of an increase occurs. There are many factors that affect dietary choices and purchasing patterns. We expect that between 10% to 30% of incentives redeemed are going toward *additional* F&V spending than would occur absent the program, with increased F&V also expected to be equal to 10% to 30%.

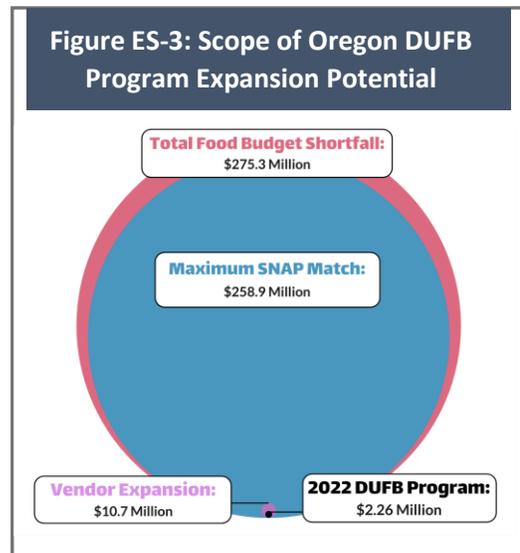


Key findings on the economic impact of DUFB:

- **DUFB redemptions had an estimated economic impact of approximately 17 to 22 jobs and approximately \$1.1 to \$1.3 million in Oregon labor income**, for an average income of approximately \$58,000 per job. While other studies typically assume that 100% of the nutrition incentive payment is used to increase purchases of F&V, this analysis estimates the change in the Oregon economy that results from DUFB redemptions *and that would not have otherwise occurred but for the DUFB program in Oregon*.
- **For every \$1 of DUFB incentive redeemed by program recipients, other Oregonians experienced a boost to their income of approximately \$0.45 to \$0.57.**

Implications for DUFB Program:

- Access to DUFB could be improved to reach up to 20% of the LI and LILA population that reside outside DUFB outlets access, as defined by the Food Access Research Atlas.
- DUFB enrollment is lower than total eligible participants. There is a total of \$275.3 million in unmet food assistance needs (food budget shortfalls) annually in Oregon; this is nearly equivalent to the needs-based potential of the DUFB program (**\$258.9 million**), estimated as the 1:1 match of all eligible food items purchased with SNAP across the state.
- The **potential expansion of the DUFB program into other similar types of outlets currently offering SNAP is estimated at \$10.7 million.**



8.4 CONCLUSION

The high-end estimate of need (a complete SNAP match, \$258.9 million) would come close to meeting the \$275.3 million in unmet food assistance needs in the state. The more immediate potential expansion, of \$10.7 million, is derived from select qualified and un-enrolled SNAP retailers and would require nearly a fivefold increase in redemptions. These estimates demonstrate there is a considerable gap between the program size now and how it could increase to meet food assistance needs for residents in the state, as depicted in the figure below summarizing the potential of DUFB against various estimates of food assistance needs in the state.

If all 424,000 Oregon households eligible for SNAP participated in the DUFB Program, redemptions could total \$258.9 million, or more than 100 times the current program size. Program spending at this scale would have the potential to meet nearly all food budget shortfall as estimated by Feeding America.

Figure 8-3 Scope of Oregon DUFB Program Expansion Potential

