



FEEDING AMERICA IN 2025

BOARD VISION EXCHANGE

Houston - 5/26/17



Our Vision and Strategic Goal



Our vision is a hunger-free America



*Our mission is to feed America's hungry through a nationwide network of member food banks
and
engage our country in the fight to end hunger.*



Our Goal

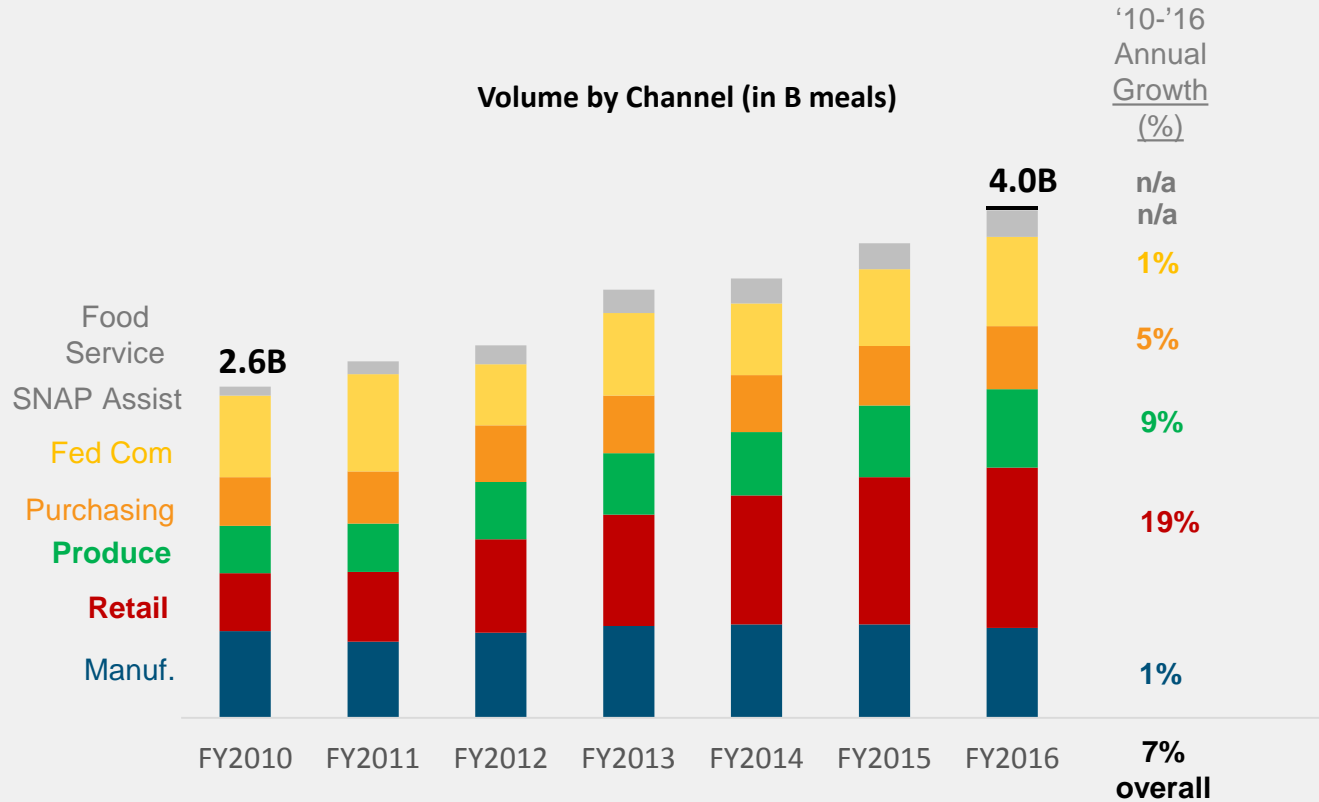
By 2025, Feeding America, in collaboration with our network and our partners, will ensure access to enough nutritious food for people struggling with hunger, and make meaningful progress toward ending hunger.



Our Recent Performance and The Remaining Unmet Need

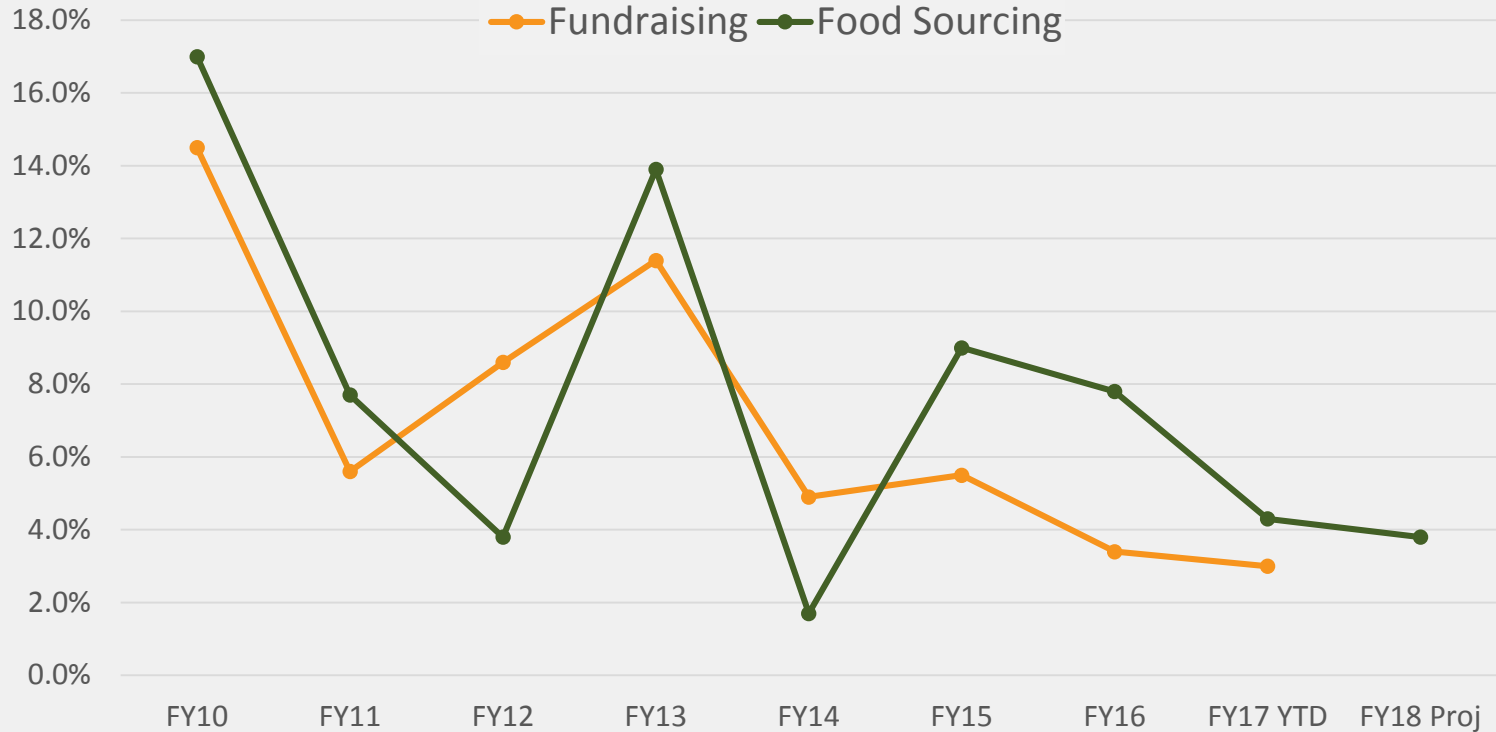


We've achieved significant growth in meals provided, driven by retail



But growth is showing signs of slowing down

Total Feeding America Network (incl. FANO)

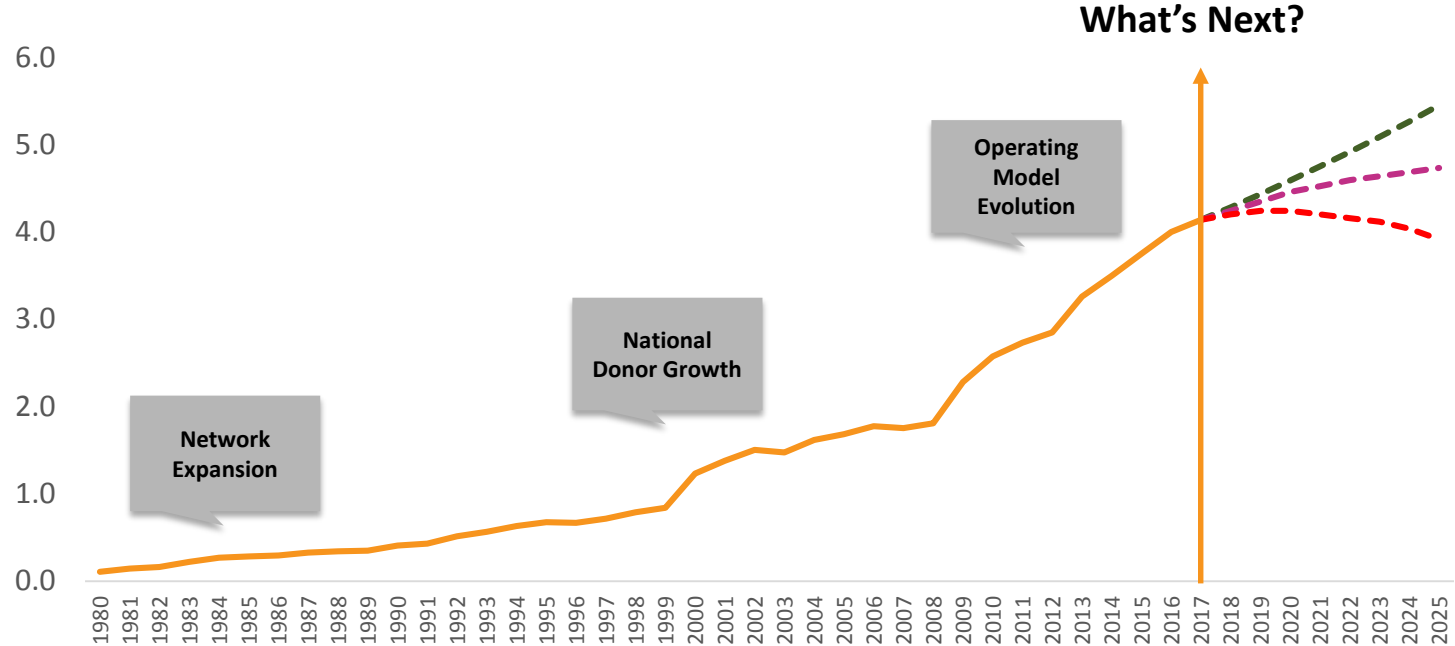


Source: Annual Network Activity Report (FY10 – FY16). QPR (FY17YTD). FANO Supply Chain (FY18 Proj.)

We believe we are at an inflection point



Network-wide Meal Equivalents Enabled (in billions)



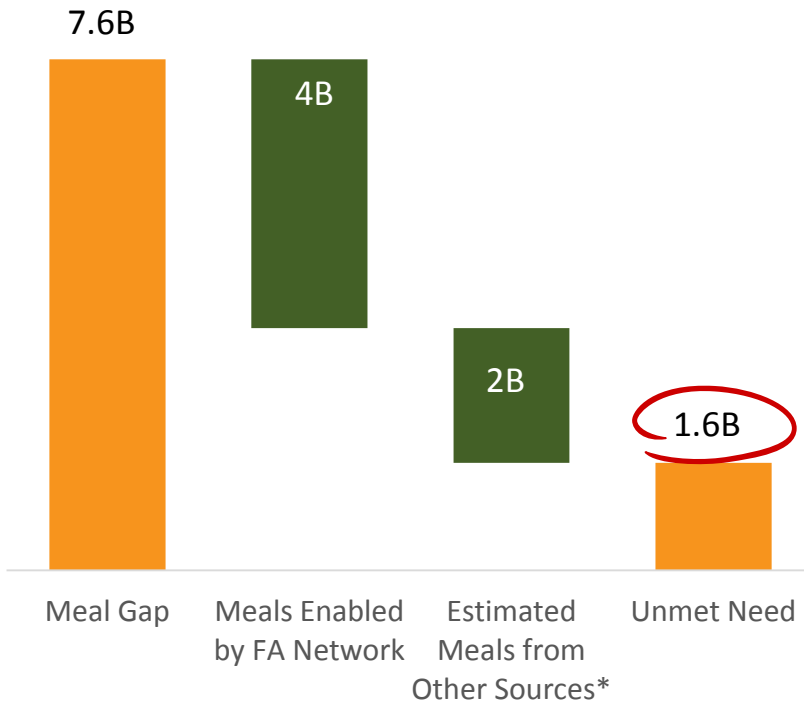
Source: 1980 – 1985 data estimated. 1985 – 2005 data from A2H Annual Reports. 2006 – 2016 from Feeding America Network Activity Report

There is more than enough food to feed everyone facing hunger, but capturing it will require developing new food recovery capabilities.



Food insecurity persists and food budget shortfalls are rising for those who remain food insecure.

A Meal Gap remains of ~1.6B meals



Individual needs are increasing



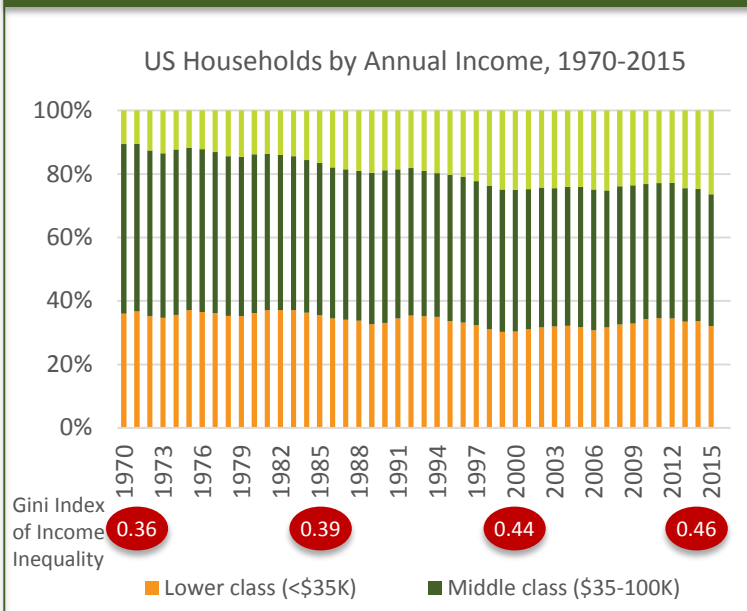
42 million American remain food insecure, more than pre-recession

Underlying Trends

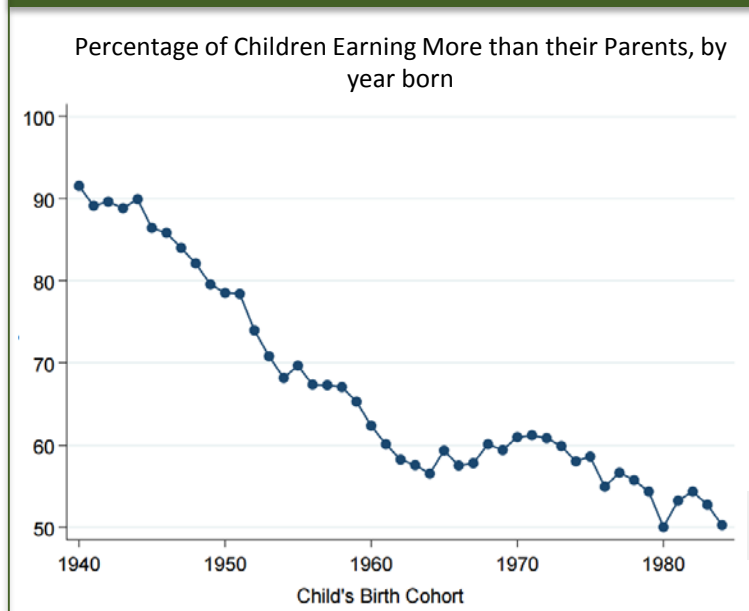


Broadly, income inequality is growing and upward mobility is declining

Income Inequality Is Growing



And Opportunities to Move Up are Eroding



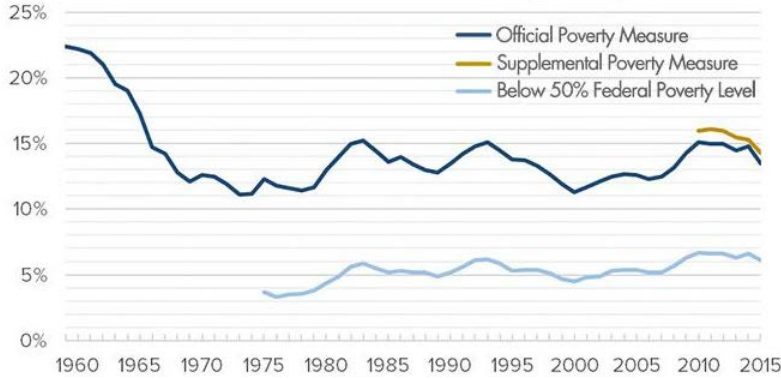
Barring a reversal of trends, the need is likely to grow with each generation

Note: Gini Index measures the inequality of among distribution of income on a scale of 0-1, with a higher number indicating higher inequality. Middle class defined by Pew Research Center as 2/3 – 2x of nat'l median income (2015 median HH income was \$56K). Parent and child income measured at age 30 for children and age 25-35 for parents.

Source: US Census HH and Income Dispersion data; CNN Money "What is Middle Class, Anyway"; Raj Chetty, et al. "The Fading American Dream: Trends in Absolute Income Mobility Since 1940"

Key determinants of food insecurity and hunger include poverty, unemployment and home ownership*.

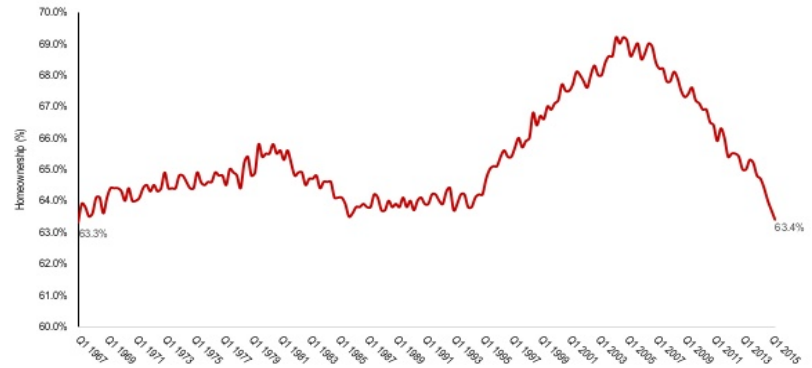
United States Poverty Rate, 1959-2015



Data source: U.S. Census Bureau

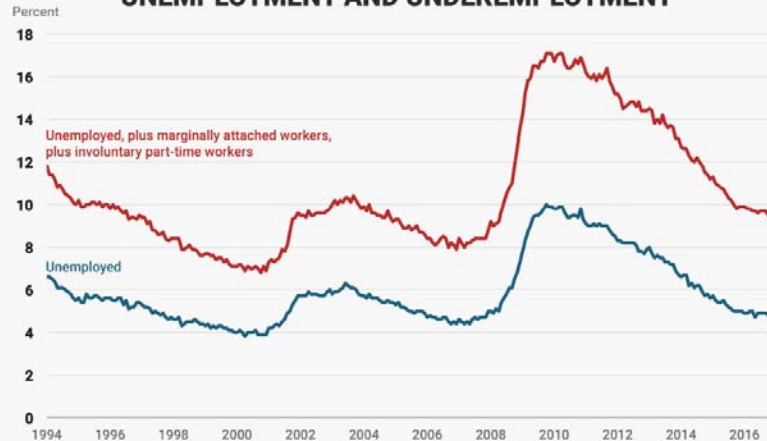


The homeownership rate was recorded at 63.4 percent in the second quarter, the lowest reading since 1967



Source: JLL Research, U.S. Census Bureau

UNEMPLOYMENT AND UNDEREMPLOYMENT



SOURCE: Bureau of Labor Statistics via FRED

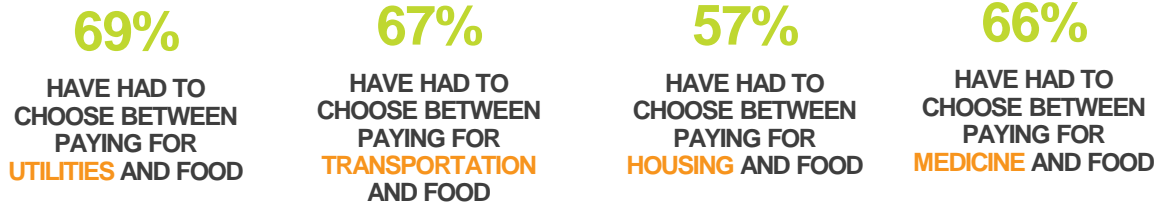
BUSINESS INSIDER

*Source: Craig Gundersen, Principal Researcher on Feeding America's "Map the Meal Gap" Study and Soybean Industry Endowed Professor in Agricultural Strategy in the Department of Agricultural and Consumer Economics at the University of Illinois

Food insecurity is marked by difficult financial tradeoffs that compromise basic household needs



The people Feeding America serves report that their household income is inadequate to cover their basic household expenses.



Financial constraints perpetuate hunger and compromise health



Food security and health are mutually dependent



79%

Purchase Inexpensive, Unhealthy Food



58%

Of households served by our network report a member with high blood pressure



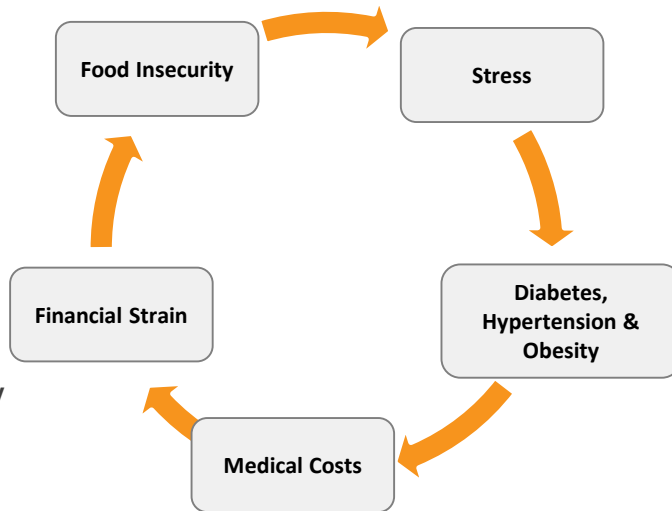
40%

Water Down Foods or Drinks



33%

Of households served by our network report a member with diabetes



Nutrition and health must be addressed to improve quality of life and improve the likelihood of ending hunger

Source: Hunger in America 2014

SNAP has been shown to contribute to food security, but the program is at risk

SNAP is far-reaching and effective

~42M

PARTICIPANTS

~\$64B

BENEFITS

~45B*

MEALS

~20%**

**LESS FOOD
INSECURE**

Program funding remains at threat

Proposal to block grant could result in:

~\$25B

**ANNUAL
REDUCTION
IN
FUNDS**

~18B

**ANNUAL
REDUCTION
IN
MEALS**

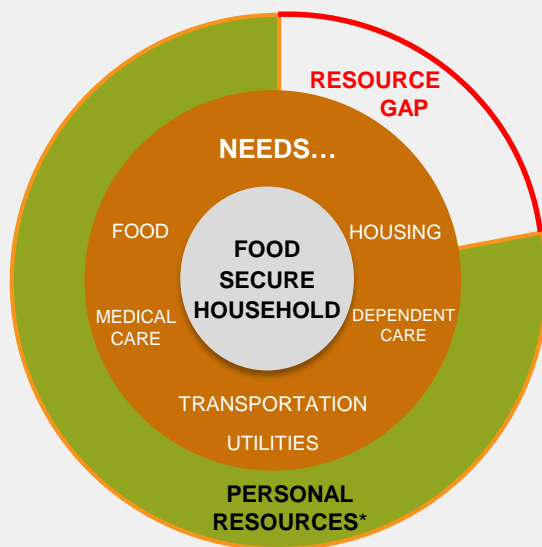
SNAP is an ESSENTIAL building block in support of Feeding America's vision

*The average SNAP benefit per person is about \$126 per month, which works out to about \$1.40 per person per meal (CBPP)

**SNAP recipients are at least 20% less likely to be food insecure than non-recipients, all other things being equal. (Gunderson)

In light of these trends, how do we define the problem we are trying to solve?

Ending hunger is not just about providing enough food to “close the meal gap” today.



THE PROBLEM:

Food insecurity is a symptom of a resource gap where personal resources are insufficient to meet basic needs, creating a shortfall in the household budget available to afford adequate nutritious food

*Personal Resources include income, assets, and support from family and friends; Access to these resources is mediated by a variety of factors.

Our Theory of Change, Outcomes and Ultimate Intended Impacts



What's required to make meaningful progress toward ending hunger?



Increase the quantity and quality of meals to fill the gap

*End Hunger Today
(fill the meal gap by **providing more nutritious food**)*

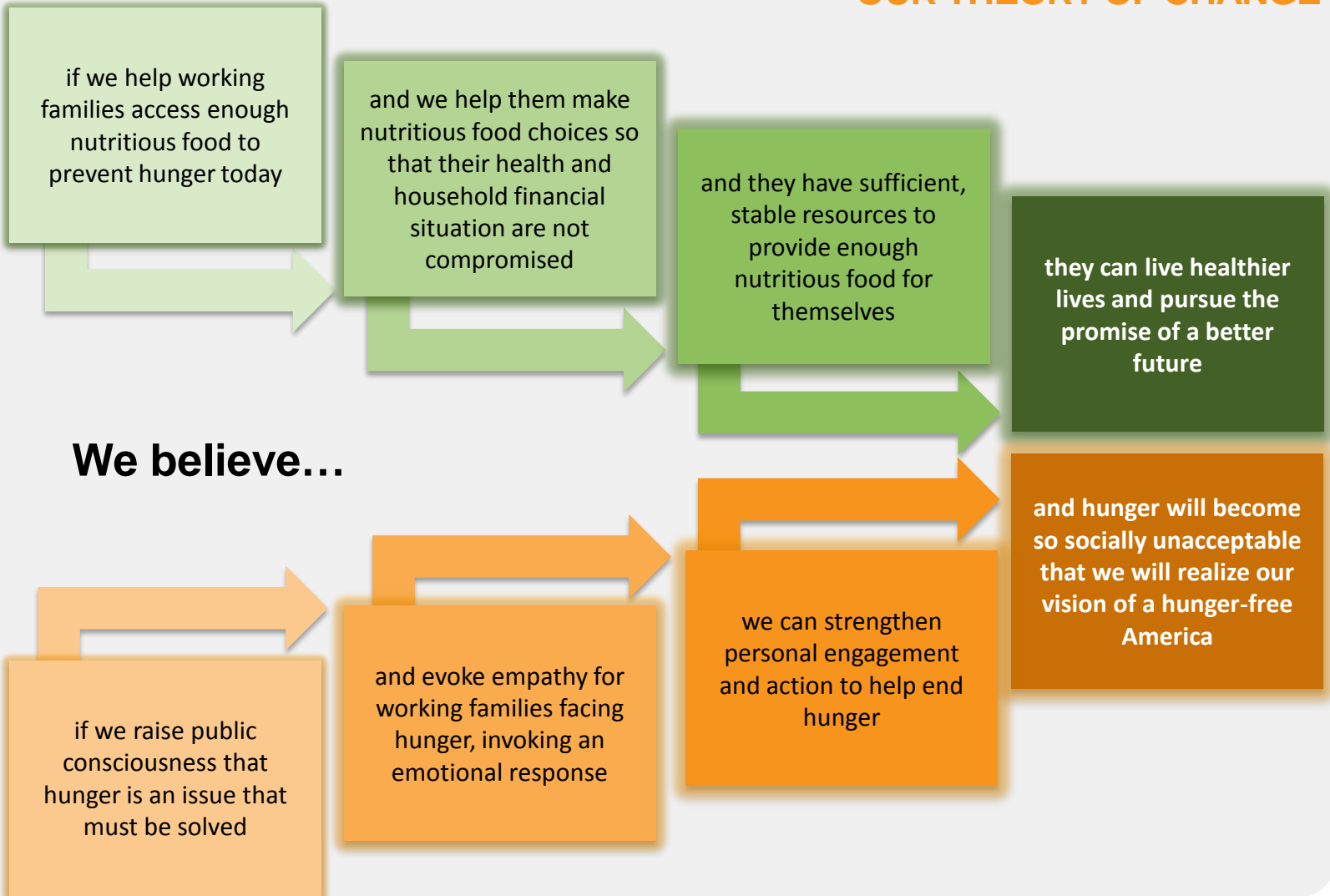


Reduce the need / shrink the meal gap

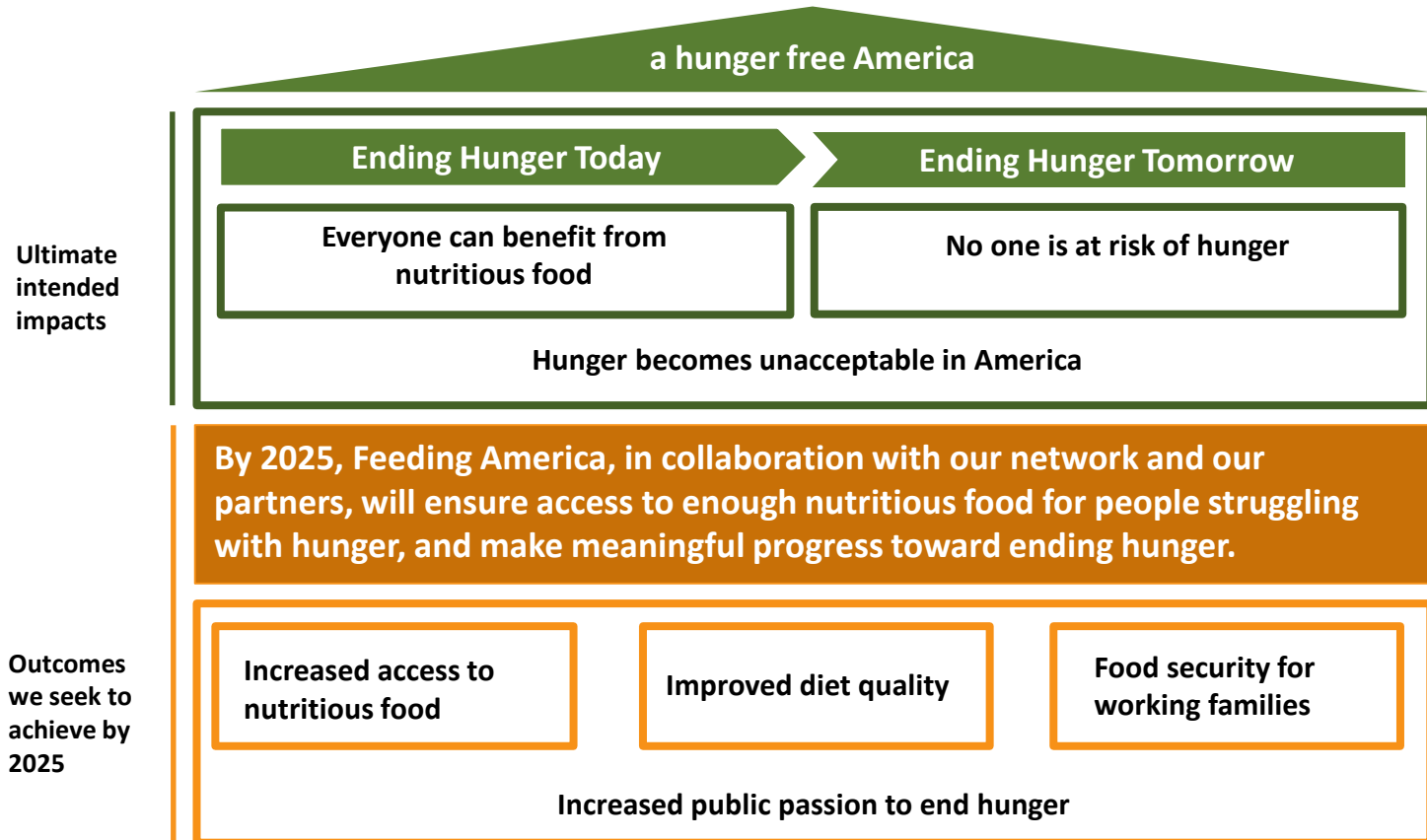
*End Hunger Tomorrow
(**remove barriers that perpetuate food budget shortfalls** so that no one is at risk of hunger)*

Change Public Perceptions to Affect Change

OUR THEORY OF CHANGE



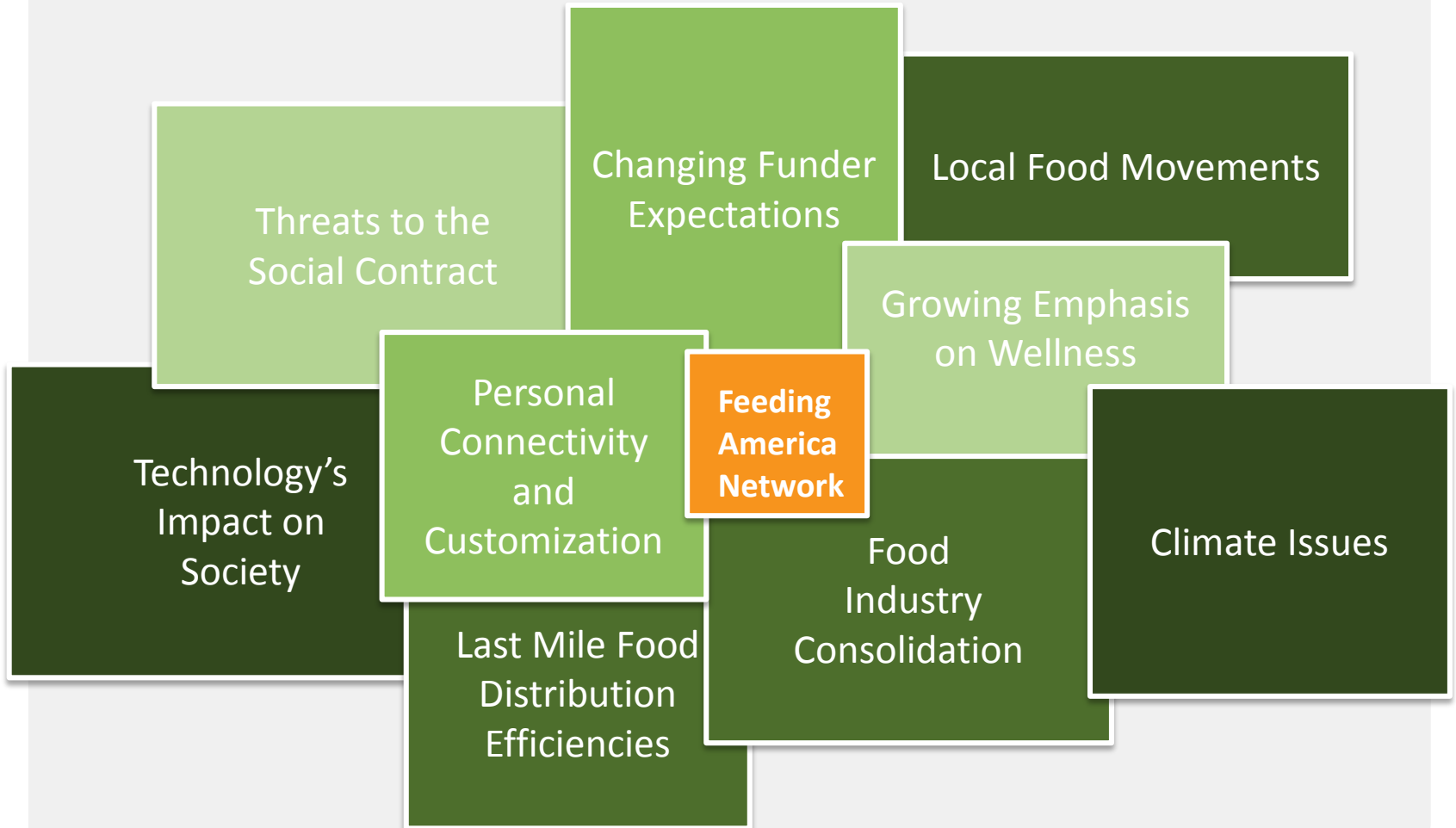
OUR FRAMEWORK FOR A HUNGER FREE AMERICA



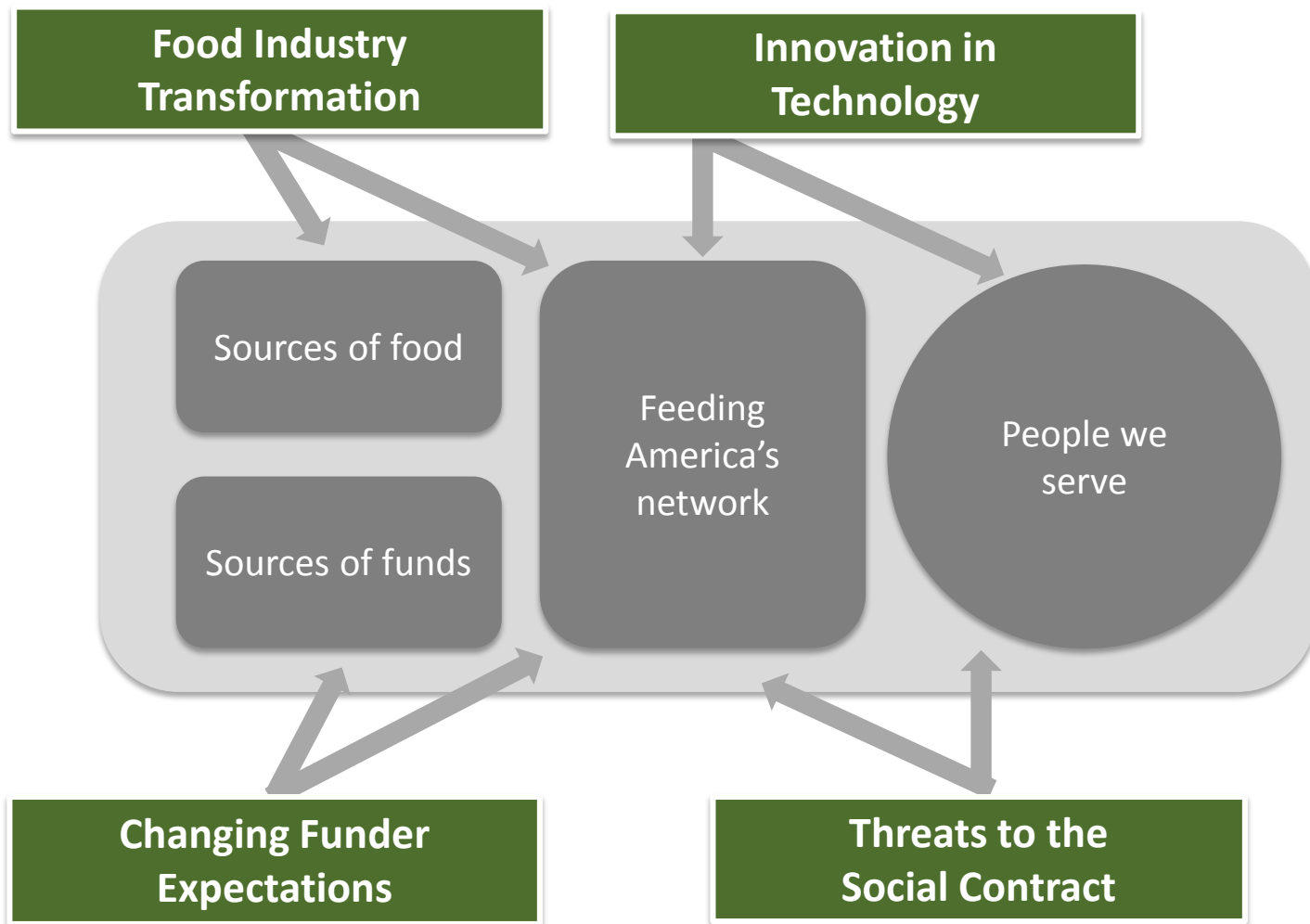
External Forces that Will Shape our Strategies



We have identified and discussed a variety of forces poised to disrupt our mission



These four disruptive forces were identified as most likely to have a big influence on key areas for Feeding America and the people we serve



Disruptors that create opportunities and threats to our mission

DISRUPTIVE FORCES	RELEVANT DYNAMICS	PRIMARY EFFECTS
Threats to the Social Contract	Safety Net Restructuring	<i>Shift in responsibility people who are poor away from government, resulting in significant lost nutritious meals and increased need.</i>
Food Industry Transformation	Growth in Digital Retailing, Freshness and Convenience	<i>Auto-replenishment minimizes center-store surplus inventory. Growth in fresh perimeter departments, prepared foods, smaller stores and ethnic formats.</i>
Innovation in Technology	Increase in Automation, Artificial Intelligence, Big Data, Mobile Connectivity	<i>Destruction of jobs outpacing job creation. More efficient processes, new business opportunities and new ways of connecting people to customized information are creating both new competitive threats and new opportunities for innovation.</i>
Changing Funder Expectations	The Rise of Millennials and Strategic Philanthropy	<i>Loyalty to causes vs. organizations, coordination of interventions and shared economy partnerships encouraged, growing emphasis on outcomes</i>

What strategic implications emanate from the Case for Change for our model?

DISRUPTIVE FORCES

Threats to the Social Contract

Food Industry Transformation

Innovation in Technology

Changing Funder Expectations

STRATEGIC IMPLICATIONS

Leverage key alliances to aggressively defend federal nutrition programs and charitable tax incentives. **Hold the line on SNAP.** Begin to **change the narrative** about people facing hunger.

Transform the network operating model to capture fresh produce and prepared foods and to prepare for the shelf-stable shift to digital retailing

Step change investment, partnerships and alliances in technology to capture efficiencies and new capabilities for growth (i.e. mobile connectivity and data analytics)

Scale partnerships that create pathways out of hunger. Demonstrate our impact on “hunger and” health, environment, and society to attract new investors in our mission and attract a younger base of individual supporters.

REASONS TO BELIEVE WE CAN ADDRESS

- Broad bi-partisan support
- Network influence in every district
- Longstanding ag and hunger alliances
- Strong industry partnerships
- History of food bank model adaptation
- Growing capability in nutrition
- Promising pilots (produce, meal connect, Amazon)
- Past support from platform partners (Rackspace, Google, Facebook, Microsoft, Tableau)
- Recent improvements at FANO (ERP, CRM)
- Strong member presence in Silicon Valley
- Development Team leadership and track record of fundraising success
- Leadership in research on hunger, food insecurity
- Millennials are concerned about hunger and are interested in the environmental impact of food waste