

FOOD BANK VISIONING

DISCLAIMER

This is just my opinion.

CATCHING EVERYONE UP – THE EVOLUTION OF THOUGHT IN FOOD BANKING

When I first started in food banking some 28 years ago, it was commonly thought that we could end hunger, at least on a day to day basis, by channeling surplus food through hunger relief charities. It seemed quite reasonable. The amount of surplus food in the US was many times greater than the amount of missing meals. The challenge was simply logistics. Route the surplus food to where there is food deficiency. Over the years, many calculations have been made to determine how much more food it would take to eliminate hunger in a particular service territory or America.

Of course, we knew that this was not a long term strategy as food today does nothing to provide food tomorrow, but that was another fight.

As it turned out though, we lost the day-to day-fight as well. Despite all our growth over the years, the Census Bureau shows more hunger than when we started.* Our projections of output have been met or exceeded. Our projections of outcome have been utter failures. In 2004, the Feeding America Board set goals of increasing distribution by 920 million pounds and decreasing hunger by 50%. We beat the poundage goal by a large margin. Yet hunger went up by a large margin.

To this day, there is still much confusion in the network as to what our real impact is. Even our well-intentioned Map the Meal Gap calculations tend to mislead us as the logical inference is filling the gap will happen if we fill the gap.

It doesn't.

We slowly started to figure out why back when we did the first network Hunger Study in 1993. That's when we first had decent nationwide data about the people we serve. Initially we just thought the reports showing that about half the households served had to choose between food and rent in the last year was just interesting and not vision crushing. But they tell us much more.

*Measurements of hunger in the US with a consistent methodology did not start until 1995. In 1995 the Census Bureau estimated that 4.1% households experienced hunger at least part of the time. In 2015 the estimate is 5.0%, although the category was retitled "very low food security". Nice touch, that.

Our most recent Hunger in America study (2014) shows that 57% of the households we served had to choose at some time in the previous year between food and

rent/mortgage. 66% had to choose between food and medicine. 67% between food and transportation. And 69% between food and utilities.

That has major implications. It blasts a big hole in the assumption that we can end hunger by filling the meal gap because the meal gap flexes to help cover other needs. We face a substitution effect that is likely much larger than the meal gap itself as many of the people we serve are forced to adjust their food budgets to accommodate other expenses. We aren't just fighting a meal gap, and it is foolish to think we can look at hunger as an isolated issue. We are fighting an income gap as households struggle to juggle expenses greater than their incomes. Trying to fill one hole is a frustrating exercise as that hole is tied to all the others.

That doesn't mean that food assistance doesn't help people. But it does mean that the need is far greater than a calculation of meal gap implies.

So how big is this income gap? The poverty threshold is a crude calculation the Census Bureau makes each year of the minimum income necessary to meet the basic needs. Though a flawed measurement, it does give us the ability to roughly answer the question, "On average, what is their shortfall for covering the basic expenses?" Are they short by a hundred dollars? A thousand? When I looked this up several years ago the Census Bureau report showed that the average family of four in poverty is below the poverty threshold by about \$6000. Now the figure is \$10,000.

That is a ten thousand dollar shortfall for the average family of four who is struggling with poverty. If that family went to one of our supported pantries every month (which is not the norm, by the way) and received a food box worth \$50 every time, that works out to about \$600 in assistance for the year – to help cover a \$10,000 shortfall.

As a gap filler, we're a lot smaller than it appears. The food banks and their member agencies (not counting government commodities) account for only about 5% of the food needs for the food insecure population.

As big as we have grown, we are a small part of the food budget for our target population, and that budget shifts to accommodate other expenses as we add to it because food is just one of, and perhaps the most flexible of the basic needs that are not being met. For example, rent is binary. If you don't pay all of the rent you will become homeless and that is a very bad idea. But food costs can be flexible. Better to go hungry some days than homeless.

And flexibility in food has other implications, as we slowly came to realize.

In the early days of food banking it was common to see ourselves as in the calorie business. Hunger was due to lack of calories and for hungry people even "bad" calories are better than no calories.

Or so most of us thought.

Occasionally some commentator would claim that there is no hunger in America because they see overweight people claiming to be hungry. At first we batted away those claims as anecdotal and caused by observation bias.

Then came the data. In fact, the food insecure population has a significantly higher rate of obesity and diabetes than the food secure population.* The reason is because while hunger is episodic, obesity, Type II Diabetes and other nutrition related issues are long term consequences of a poor diet. The same people who occasionally or even regularly experience hunger can also become overweight (as well as suffer other ailments like diabetes).

There appear to be three reasons for this sad phenomenon. The first is the reality that poor nutrition turns out to be much cheaper than good nutrition.** Studies have shown that families trying to get by on too little money can actually extend their resources by focusing on foods higher in fats, carbs, sweets and salts. The second reason is food deserts where there is insufficient purchase power in a catchment area to support grocery stores providing healthy choices.***

I don't know of research to verify or dismiss what I think is the third reason, but I still think it is real. The people we serve by definition are not able to afford the "finer things" that in a wealthy society are on display all around them. But one readily available luxury that can make poverty not seem so bad is comfort food. Which turns out to be heavily marketed towards low income, black and Hispanic populations.****

The people need help in achieving a healthy diet. This is why the distinction between food insecurity and hunger is so important. While we used to think of our challenge as solving hunger, a much larger problem is the consequences of nutritional compromises due to food insecurity. People don't just solve the gap by going hungry. They also solve it by eating poorly.

Food banks therefore came to question whether it was wise or even ethical to not consider the nutritional quality of our distribution. While on average it is a relatively small percentage of the food insecure household diet, that distribution is not even. In some cases, our food is a high proportion of the total intake. And in all cases it helps set the total.

* <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4584410/>

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4218969/>

** https://well.blogs.nytimes.com/2007/12/05/a-high-price-for-healthy-food/?_r=0

*** <http://www.socsci.uci.edu/~mbitler/papers/2009-usda-finalreport.pdf>

**** <http://www.uconnruddcenter.org/files/Pdfs/272-7%20%20Rudd%20Targeted%20Marketing%20Report%20Release%20081115%5B1%5D.pdf>

Most food banks have made great strides in improving the nutritional quality of most of their output. And it hasn't hurt that our greatest opportunity for more food is fresh produce, with fresh fruits and vegetables accounting for more than half of distribution for some food banks.

And because food banks are very rarely providing most, let alone all of what our recipients consume, it is not necessary or even wise to attempt to provide all the foods necessary for meals ("the whole plate"). It's possible even that providing almost nothing but produce could be the optimal strategy if distribution was able to grow enough as a result.

This is contrary to how food bankers thought we should look at optimizing product output historically and still different than how maybe half or more think today. To this day, most pantries still use a three (or so) day food box model where the goal is to provide all the theoretical food needs for a set number of days. This model would make sense if families coming to pantries had no food at all in their homes but will be perfectly fine four days later. Which is not what happens. Most of our clients come for help because income is not meeting expenses. Yet the three day box model persists because it is convenient for the providers and paternalistic. It is also expensive as some foods must be purchased in order to complete the plate instead of using those dollars to cover the logistics costs for donated foods.

There is one more relevant realization that occurred over the years for food banks. Hunger and food insecurity are less tied just to families below the poverty level than we thought. According to Census Bureau figures, half of the hungry population does not live below the poverty level (currently \$24,600 for a family of 4) and two thirds of the food insecure households have an adult with a full time job. Low wage employment and assistance programs that rapidly diminish and cap out as people earn wages have become the biggest contributors to hunger and food insecurity. And that problem is clearly getting worse. Getting worse at a net rate far greater than we can overcome.

Following the cuts in the 2014 Farm Bill, total SNAP dollars have fallen by 8.9 billion dollars* – an amount greater than the distribution of the entire network combined. And inflation adjusted household income for the bottom quintile has decreased over the last ten years by \$887. \$1199 for the next lowest quintile. Cumulatively, that represents a 52 billion dollar decrease in total purchasing power for the bottom 40%.** The output of every hunger relief program in America put together pales in comparison to how much purchasing power has been lost just in the past few years. We can't win this way.

* <https://www.fns.usda.gov/sites/default/files/pd/SNAPsummary.pdf>

** <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html>

WE GET IT. WE NEED TO SHORTEN THE LINE. NOW WHAT?

Most Feeding America food banks distribute more dollar value to area charities than their local United Ways. On average, it is more than double. Collectively, we provide more dollar value each year than the largest foundation in the US, the Gates Foundation. We have built networks with tens of thousands of charitable partners, millions of volunteers and millions of donors. With all that behind us, can't we do better?

There are several directions available for Feeding America and the member food banks as we look to capitalize on our strengths to shorten or even end the line:

1. We can advocate for significant public policy change.
2. We can work to better understand our clients and re-think what help means.
3. We can work to better engage our clients in developing change with them instead of for them.
4. We can develop broad based coalitions to better coordinate activities for more effective outcome achievement.
5. We can repurpose our food resources to support programs designed to help people achieve financial stability.
6. Something else.

Over the course of the four Board Vision Exchange sessions, I hope we will go into depth on at least these five possibilities. For now, I am only going to focus on #5, what Houston Food Bank calls Food For Change.

FOOD FOR CHANGE

The concept of Food For Change is channeling surplus food so that it directly supports programming designed to change outcomes for our target population (people with food insecurity). The food is supplied in such a way as to incent and enable people to engage in the programming which in turn helps the participants become food secure. A key distinction of Food For Change is that our resources are not provided alongside programming, but contingent upon participation in programming. Food For Change fights food insecurity not by tackling food insecurity head on but by using our resources to support initiatives that will stabilize lives which in turn reduces food insecurity. Potential program directions include education, job training, health, financial stability and housing.

The food scholarship is an example. A food scholarship is an attempt to provide a large enough dollar value in food assistance through shopping-style scholarship pantries to enable students to complete certificate or degree programs. We are currently testing with community colleges offering middle skills certificate programs (welding, HVAC repair and medical technician) with the goal to increase the graduation rates for these programs.

We currently have over twenty pilots at various stages of progress along the four of the five program directions. (We haven't found the right housing collaboration yet.) We have three criteria for a Food For Change collaboration:

1. The food we supply must (theoretically at first) increase the success rate of programming that can shorten our line. Receipt of the food is tied to program participation.
2. The program must be at scale or scalable. There are 1.1 million food insecure people in our service territory. Initiatives that can't grow past helping dozens of people will not help us reach our goals. We are looking for at least hundreds and preferably thousands (which can be through replication, if feasible).
3. The program must have academic or near academic quality outcome measurement.

All three criteria are critical. For reasons I will explain below, even when food banks engage in "shorten the line" activities, we generally do not get past the "that's sure a pretty story" level of coming closer to ending hunger.

WHAT WE REALLY ARE AND WHY THAT MATTERS

When you look at what food banks actually do, we are logistics companies. Logistics with a mission. Because ending hunger or some variant of that goal is our mission and what drives us, food banks can be tempted to lose sight of where their real power lies for that mission. Logistics... and leverage.

As organizations that primarily channel surplus food through a network of nonprofit organizations, food banks are leverage opportunities. By pursuing surplus food (and other products), food banks are able to multiply the value of dollar donations. By collaborating with other organizations serving clients directly, food banks are again able to achieve more output for each dollar spent. When we apply our logistics capabilities along lines where we have leverage, food banks bring the most value to the table. Then it just becomes a question of how to maximize the impact of that value.

Failure to grasp what really makes food banks valuable can lead to suboptimal strategies. In an attempt to provide the "whole plate", many food banks spend a large percentage of their budgets purchasing food and saving just pennies on the dollar instead of multiplying dollars. Food banks become tempted to focus on programs they operate as marginal side businesses versus partnering with better programs they can support.

As I see it, food banks should strategize to maximize along two lines.

1. Build the most powerful engine possible. For the dollars we can raise, that means generating the highest dollar and nutritional value food (and nonfood) output we can that is useful to our clients and programs serving them.

2. Point that engine in the directions where it does the most net good. That probably means some combination of emergency assistance partnerships and “shorten the line” partnerships.

WHY THE STARFISH STORY IS HOLDING US BACK

There is a touching story often told about a child tossing beached starfish back in ocean one at a time. When a man points out that given how many thousands of starfish there are on the beach, her efforts won't make a difference. The child tosses another one in and says it made a difference to that one.

And we all say aw, that's sweet. How true.

I hate that story. Not just because I'm tired of hearing it at galas, but because it deceives us into thinking that saving one out of thousands is somehow good enough. What I'd rather hear is how that girl got her hands on a bucket loader and started making a difference at the appropriate scale.

But we tell stories like this because as experienced fundraisers, we know that the sweet story of a difference for one is how you win resources. It is how you motivate. It is how you persuade. But it also misleads us given that we have built our own giant bucket loaders. We should not be satisfied with one out of thousands.

But it is still how we communicate even with each other. Even as food banks discuss “shorten the line” strategies, what is often missing is meaningful measurements. How big is the need? How many people will this initiative help and how does that compare to the need? What is the proof that the clients are actually “leaving the line”? Without good answers for these questions, we just have pretty stories. That's fine and appropriate for fundraising, but not business decision-making. We need to stop treating pretty stories as if they are useful data. But we as a network have a deeply ingrained habit of communicating this way. It is the Feeding America equivalent of handing out participation trophies.

CHANGE WE NEED IN THE FEEDING AMERICA NETWORK

We know that what we have been doing will not end hunger in America. Yet we have built incredible engines that surely could make more significant change. But figuring out what that change should be will be difficult and more than any one food bank will can do. Our possible directions of impact are many and we do not know which ones are the best to take, let alone the best ways to do them.

We need food banks to try different things as pilot programs so we can learn from each other. But to do so we need to change the way we communicate. Our conferences and discussions are filled with pretty stories that sound appealing but do not have legitimately measured outcomes that show promise to achieve appropriate scale. We

know how to count pounds, convert them to meals, and all that. But when it comes to outcomes, we get away with fluff, and that fluff takes up the bandwidth that we should be using for real analysis. What is the size of the market for this program? How many people are in the program? What are the outcomes and how are they being measured? Until we insist on more rigor in our discussions, we will not be able to determine which strategies truly work.

Feeding America needs to provide leadership on enforcing change in the way we share information. And willing local organizations need to show the way.

THE ROLE OF THE LOCAL BOARD

The late Jan Pruitt pointed out that every board thinks their food bank is the best in the country. That was probably an exaggeration, but only a small one. From what I have seen, even boards of seriously underperforming food banks have no clue they aren't among the best in the country.

And how could they? They look at their own food bank compared to other charities in the community and it looks very successful. But how much do they know about how their food bank compares to others? Generally, very little. If anything. Most board members have never been to another food bank and even if they had, what did they learn by walking around another warehouse? Even the tiny proportion who go to national conferences hear the various pretty stories that don't sound different than their own. We only recently started requiring that CEOs provide their boards with an annual, and admittedly crude, benchmark report.

Contrast that with the wealth of comparative information available to board members of for profit corporations.

Feeding America food banks are substantial, complicated businesses and the difference between high performing and low performing has extreme consequences for a community. Ensuring high performance falls on the board and most boards do not have the information they need to do their job properly. That must be fixed.

There are two things boards should know but probably don't.

1. How powerful is their engine compared to its potential?
2. Is the engine pointed (and going) in the right directions?

Because every community is different, number one isn't easy to answer. But by using available data and spending time learning more about the other food banks, boards should be able to perform their duty here well. Sophisticated board members don't get involved in operational details, but they do compare performance statistics. For food banks these are available on Hungernet.org. Identifying and learning more about peer food banks is also easy to do.

Number two is a much bigger challenge than we ever realized.

Your board wouldn't have been invited to this vision exchange if you didn't have a strong CEO and a well-run organization (as best can be ascertained from afar). You probably are pleased with the vision your CEO has laid out for your food bank. But how familiar are you with other visions laid out by other respected food bank CEOs? And we don't all think alike. Our opinions vary and none of us have it all figured out. The board is responsible for setting the direction of the organization. But almost all food bank board members know very little about possible food bank directions other than theirs. That would be unheard of in the for-profit world.

This is the most exciting part of our future. We have tremendous power to create impact which we are just now realizing. What direction a food bank should go has never been a more challenging nor opportunity filled question. As board members, making that decision is your job. And there is more to it than you probably knew. But that won't be the case after these four sessions.

That is the purpose of the Board Vision Exchange.