Do pandemic benefits decrease demand for charitable food?
A MFB Strategy Group Research Report
November 2021

Approach
This research brief investigates whether the demand for charitable food since March 2020 is associated with the availability (or lack thereof) of federal pandemic benefits. We hypothesize that increases in fiscal pandemic benefits will trigger a decrease in demand for food assistance, as measured by fewer visits to the Maryland Food Bank’s (MFB) statewide community food distribution sites during the weeks immediately following government relief actions.

Summary Findings
For decades, too many people in Maryland have had to make tough decisions around their basic needs, often wondering how to feed their families and keep pace with rising costs. Even before the onset of COVID-19, the realities of socioeconomic hardship in Maryland were well understood. Two in five Maryland households experience hardship in some form, including food insecurity, housing instability, poor health, and job loss. Research shows that many of these households, which are considered ALICE by the United Way’s national living wage research project, struggle to come up with even $400 to pay for an unexpected bill. And at a time when so many individuals were already struggling, the pandemic swept in, further exacerbating food insecurity for an estimated 2 million Marylanders.

By comparing the timing of pandemic relief measures with MFB’s food distribution levels, our research clearly illustrates a statewide correlation between the two. Demand for food assistance increased when pandemic relief benefits ended, and the opposite is also true. Fewer Marylanders turned to local food pantries and feeding programs for help when state and federal governments issued stimulus payments or expanded safety net programs like the Supplemental Nutrition Assistance Program (SNAP).
At the national level, research shows the same zigzag dynamic. In the spring of 2020, even as the unemployment rate skyrocketed to nearly 20%, direct payments to households under the CARES Act kept 18 million people out of poverty, according to the Aspen Institute. However, when the $600 per week unemployment insurance benefits ended, the 17 million people receiving benefits at the time quickly drew down their savings, including what they had saved from their $1,200 stimulus checks. By the end of 2020, some seven million people had fallen into poverty, and rent and mortgage delinquencies were as high as they had been during the Great Recession.³

Local analysis of Maryland-specific trends deepens our understanding of COVID-19’s significant and adverse effects on families in our state. It also clearly illustrates the close relationship between family finances and food assistance and how dramatically government intervention can change the day-to-day reality for Marylanders struggling to make ends meet. Our research clearly shows that fewer Marylanders access MFB’s statewide food assistance safety net when state and federal governments expand public benefits. Part of MFB’s ongoing work is to advocate for and promote statewide policies that address hunger and its root causes, while simultaneously distributing food to meet the immediate needs of vulnerable communities today.

Adversity often leads to profound change and new beginnings. At the Maryland Food Bank, we are committed to putting the needs of the communities we serve and the people who live in them first, advocating for systemic change so that we can help end hunger for more Marylanders.

FULL REPORT

**Demand for Charitable Food**

The Maryland Food Bank distributes food through a statewide network of more than 1,450 distribution points, including small and large food pantries, schools, faith-based organizations, nonprofits, sites that host mobile pantry events, and other partners (such as hospitals and universities). Reliable indicators of need are: the number of food orders those organizations place through MFB’s online order system, the actual pounds of food distributed by distribution partners, and the number of clients served.

For this research project, we analyzed the pounds of food distributed from the onset of the pandemic in March 2020 through the end of FY21 (July 4, 2021), in weekly intervals. We also examined the number of unique visitors who received food donations and related services at our distribution partner sites over the same periods (also in weekly intervals).
Public Benefits Timeline

After analyzing internal data that tracked weekly demand levels, we investigated any links to the availability, or lack of, pandemic-related public benefits. We wanted to find out if fewer Marylanders would seek food assistance once they knew they might receive federal cash assistance payments (i.e., stimulus checks, pandemic unemployment benefits, or SNAP food assistance). Along the same lines, we hypothesized that demand for food assistance would increase if Marylanders learned that pandemic benefits were being phased-out. Would the need for charitable food decrease or increase as a result of government action?

Patterns of Food Pantry Use

Our trend analysis demonstrates that government actions are associated with demand for food assistance. Indeed, the line graph in Fig. 2 (page 5) illustrates that the Maryland Food Bank’s distribution sites (e.g. food pantries) reported decreased demand for food assistance (expressed as pounds of food distributed) when Marylanders became aware of or received pandemic cash assistance payments. Additionally, MFB client data presented in Fig. 3 (page 6) shows that fewer Marylanders actually sought out food assistance when federal cash payments were announced.5
For example, Fig. 2 shows a significant drop in demand in the weeks after March 11, 2021, when the American Rescue Plan was passed. Our data also shows another drop in demand in early June of 2020, shortly after the state of Maryland began distributing Pandemic EBT cards.

In the same vein, we hypothesized that demand for food assistance would increase when the end of pandemic relief programs was announced. And indeed, our data clearly shows that news of the phase-out of CARES Act unemployment benefits on July 31, 2020, and an end to Maryland’s pandemic unemployment benefits on June 2, 2021, both measurably drove up demand for food assistance.

Importantly, demand appears to drop only temporarily following the announcement of “another round of stimulus checks.” It seems as if the news of additional financial help boosts spending confidence for a short time, only to drop back to previous levels shortly thereafter. This trend may speak to the fact that pandemic safety net investments, particularly when recognized as unique and short-term emergency relief, cannot be expected to achieve lasting, systemic change, let alone eradicate the root causes of financial hardship and food insecurity.

Trend analysis also showed that there are varying degrees of this association. The rather modest second round of stimulus funding in early January 2021, for example, led to a correspondingly small decrease in demand for food assistance (Fig. 3). This may be because the second stimulus payments were significantly smaller than the first and third payments. (The second payment was up to $600 per adult, rather than $1,200 per adult for the first checks and $1,400 for third checks).

In sum, the Maryland Food Bank noticed that increased demand for food assistance did in fact coincide with the beginning and end of federal and state pandemic relief benefits. The opposite effect was also shown to be true — fewer Marylanders accessed sources of charitable food assistance in the weeks following state and federal public relief measures. The findings of this study underscore both the significance of public benefits in times of crisis, as well as the valuable services offered by the Maryland Food Bank, particularly in the absence of government relief.
Food Distributed Per Week

Pounds of Food

0 500,000 1,000,000 1,500,000 2,000,000


Local Data Confirms Trend Lines

The Maryland Food Bank’s service territory includes 21 Maryland counties (all except for Prince George’s and Montgomery counties) as well as Baltimore City. For this reason, MFB places great importance on understanding how large-scale policy changes impact food insecurity at the local level. Would fewer families seek food assistance from neighborhood food pantries or school pantries when additional pandemic cash assistance became available? To answer this question, we rely on the local knowledge and expertise of our partner distribution sites. As it turns out, available data supports this claim (see Fig. 4).
During the COVID-19 public health crisis and subsequent lockdowns, Elmer A. Henderson: A Johns Hopkins Partnership School expanded its food distribution efforts to become a food hub in East Baltimore City. The elementary/middle school typically serves a population of 586 students, from pre-K through 8th grade. Prior to the pandemic, Henderson-Hopkins housed an MFB School Pantry. In March of 2020, school personnel and volunteers began serving groceries to community neighbors on a weekly basis. As of June 11, 2021, the school had distributed 543,429 pounds of food to 15,996 families, offering walk-up, drive-up, and delivery options.

Henderson-Hopkins showed that the number of families served also correlated with the changes in government assistance. The Assistant Principal J.D. Merrill and Community School Coordinator Annie Weber, first reported that fewer families picked up groceries in the weeks immediately following pandemic-relief actions (Fig. 4).

Conversely, following the announcement that pandemic benefits were set to expire, Merrill noticed a substantial increase in demand. “When programs like the CARES Act unemployment benefit expired, our food program saw a steady spike in the number of families picking up groceries,” Principal Peter Kannam wrote in his 2021 Donation Impact Report shared with the Maryland Food Bank.6

The local evaluation completed by Henderson-Hopkins staff backs up the Maryland Food Bank’s internal data analysis (Fig. 2, Fig. 3). Moreover, the data collected in East Baltimore shows an alignment between local and statewide trends. These findings also underscore the significance of MFB’s food assistance work. Local community groups turned to MFB to expand their programming in the absence of government help — and continue to do so.
Our Results in Context

Even before the onset of COVID-19, the realities of socioeconomic hardship for many Marylanders were well understood. Two in five Maryland households experienced hardship in some form, including food insecurity, housing instability, poor health, and job loss. Research shows that many of these households, which are considered ALICE by the United Way's national living wage research project, struggle to come up with even $400 to pay for an unexpected bill.

A data visualization tool from MFB — the Maryland Hunger Map — combines national and local data to provide a clear picture of where additional food assistance programming is needed most. Based on the analysis done for the update of Maryland Hunger Map in May 2021, the Maryland Food Bank now estimates that up to two million Marylanders may face food insecurity in 2021.

In instances of increased financial hardship, families put off paying utilities or rent, often live in substandard housing (doubling up or moving around), and are deterred from pursuing higher-paying jobs if doing so would impact their eligibility for government assistance. In short, more of Maryland's low-income households have been destabilized by the multiple, overlapping impacts of COVID-19.

At the national level, our research shows the same zigzag dynamic. In the spring of 2020, even as the unemployment rate skyrocketed to nearly 20%, direct payments to households under the CARES Act kept 18 million people out of poverty, according to the Aspen Institute. However, when the $600 per week unemployment insurance benefits ended, the 17 million people receiving benefits at the time quickly drew down their savings, including what they had saved from their $1,200 stimulus checks. By the end of 2020, some seven million people had fallen into poverty, and rent and mortgage delinquencies were as high as they had been during the Great Recession.

Fast forward to the summer 2021, when researchers at the University of Michigan dissected the impact of the latest rounds of stimulus payments. Their analysis showed that federal aid significantly improved Americans' ability to buy food and pay household bills and reduced anxiety. The largest benefit of the stimulus checks went to the poorest households and those with children. As one of the researchers told The New York Times in June 2021: “Cash aid offers families great flexibility to address their most pressing problems and getting it out quickly is something the government knows how to do.”
The Road Ahead

Although turbulence from the past year and a half seems to be settling, one disturbing trend remains: the continued need for food assistance. The impact of the global pandemic still rages on, as Marylanders and their families continue to seek food assistance through the Maryland Food Bank and our statewide network of community organizations at twice the pre-pandemic rate.

In the coming months, it may be of particular interest to keep an eye on two other indicators of need that speak to the additional adverse (if not yet fully understood) pandemic impacts — housing and health.

- **Housing Instability:** The Centers for Disease Control and Prevention’s eviction moratorium, which expired in early October 2021, was meant to keep people in their homes while giving states and localities more time to distribute much-needed aid. Housing experts estimate that 60% of Marylanders with incomes below $50,000 who are behind on rent payments may be “likely” or “somewhat likely” to be evicted within the next two months (compared to 44% of the U.S. average).

- **Nexus Between Housing and Health:** Being evicted erodes a person’s health in multiple ways. In a recent interview with *Kaiser Health News*, Otis Brawley, a professor at Johns Hopkins University, said: “Poverty causes a lot of cancer and chronic disease, and this pandemic has caused a lot more poverty. The effect of this pandemic on chronic diseases, such as cardiovascular disease and diabetes, will be measured decades from now.”

The root causes of hunger are inseparably intertwined. Research clearly shows a link between housing instability and food insecurity, and is also a bi-directional relationship (i.e., food insecure people are also more likely to experience housing instability). The same goes for the association of employment and food security. Unemployment insurance is associated with a 35% relative decline in food insecurity. Helping people set financial goals, in local food pantry settings, might lead to increased career confidence and decreased food insecurity. Research by Katie Martin, who directs the Foodshare Institute for Hunger Research & Solutions, shows that people who participate in such programs have significant increases in food security, self-sufficiency, and self-efficacy.

Nationwide increases to the Child Tax Credit payments may yield similar effects as described in this brief. In early analysis, the U.S. Census Bureau reports that the July 2021 Child Tax Credit payments likely led to a drop in the number of families experiencing food insecurity across the country (from 11% to 8.4%). The report shows that households without children did not see a change in food insufficiency in the same time frame. More and longer-term research will be needed to investigate if this positive trend holds up.

And, while mainstream media sources enthusiastically covered the aforementioned University of Michigan paper highlighting the positive effects of stimulus relief, a closer look at the Census Pulse Survey data shows that positive trends may not last. By May 2021, food insufficiency had inched up again for all income groups below $50,000 (from 13.9% to 16.5% for households earning less than $35,000, and from 21.6% to 23.7% for households below $25,000). Analyzing the same data, researchers at the Center on Budget and Policy Priorities concluded: “More recently, food hardship has edged up again as the impact of these relief measures appears to be lessening.”
The CBPP researchers also note that food hardship remains substantially higher than it was before the pandemic, with adults being at least twice as likely to report lacking sufficient food than in 2019.

Marylanders continue to experience significant socioeconomic hardship resulting from the pandemic’s aftershocks, running counter to nationwide trends. According to the U.S. Census Household Pulse Survey, the percentage of Marylanders who are finding it difficult to cover normal household expenses increased significantly, from 24.3% in mid-June to 28.3% in early July. Maryland’s uptrend does not mirror the rest of the country. Nationwide, the rate at which U.S. adults are having difficulty paying household expenses has actually decreased from 28.3% to 27.1% during the same time frame (see Fig. 5).\textsuperscript{22}

It is fair to theorize that the Maryland Food Bank will need to continue to fill sizable food assistance gaps, particularly in the absence of sustained government action.

\section*{Adults Reporting Difficulties Paying Usual Household Expenses}

\textbf{July 2021: Percentages of Marylanders with Difficulties Paying Increases to 28.3%}

\begin{figure}[h]
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20. Cooney and Shaefer, 2021. Figure 2: Sometimes or Often Not Enough Food in the Last Seven Days (By Income). Page 4.


LITERATURE


Che Young Lee et al. “Bidirectional Relationship Between Food Insecurity and Housing Instability.” In: Journal of the Academy of Nutrition and Dietetics. 121/1, January 2021, 84-91. https://tinyurl.com/4bn8edfr


MFB’s Strategy Group explores ways to combine existing programs with new ideas and partnerships to effectively help more Marylanders become food secure.

The Strategy Group believes that it is essential to leverage both short-term supports that expand food access with longer-term approaches to address the underlying causes of food insecurity, which often include employment, housing, and health.

Assembling critical tools including pilot programs, policy, grantmaking, measurement, and evaluation, the Strategy Group will also ensure that people with lived experience are always at the center of our work.

LITERATURE, CONT’D


Stout Risius Ross. “Analysis and Visualization of Renter Confidence and Potential Evictions.” Accessed on July 9, 2021. [https://app.powerbi.com/view?r=euyrlrjzNzRhYiz2Nz8tMGE1MCOO0NjL1IlOTMtyiM2NjFmQTAzJMyliwIdCl6jic5MGljMjk2L1TE3NDYTzN-GE4O51hZi0LTc4ZGE5Y2RhZGE2MSljMMiKnQi[N](https://app.powerbi.com/view?r=euyrlrjzNzRhYiz2Nz8tMGE1MCOO0NjL1IlOTMtyiM2NjFmQTAzJMyliwIdCl6jic5MGljMjk2L1TE3NDYTzN-GE4O51hZi0LTc4ZGE5Y2RhZGE2MSljMMiKnQi[N])

