

## EVALUATION OF THE HEALTHY INCENTIVES PILOT (HIP) FINAL REPORT — SUMMARY

### Background

The Food, Conservation, and Energy Act of 2008 authorized and funded pilot projects to determine if financial incentives provided at the point of sale to Supplemental Nutrition Assistance Program (SNAP) participants would increase their consumption of fruits, vegetables, and other healthful foods.

The U.S. Department of Agriculture's Food and Nutrition Service used this authority and funding to implement the Healthy Incentives Pilot (HIP). Under HIP, SNAP participants received an incentive of 30 cents for every SNAP dollar spent on targeted fruits and vegetables (TFVs) at participating retailers. TFVs included fresh, canned, frozen, and dried fruits and vegetables without added sugars, fats, oils, or salt, but excluded white potatoes and 100% fruit juice. The incentive was immediately credited back to the participants' electronic benefit transfer (EBT) card to be spent on any SNAP-eligible foods and beverages.

Implemented by the Massachusetts Department of Transitional Assistance in Hampden County, HIP operated between November 2011 and December 2012. The county includes urban, rural, and suburban populations with a total of approximately 55,000 SNAP households. Hampden County has the lowest median household income in the State.

This final report addresses HIP's five research objectives:

- 1) Assess the causal impact of HIP on fruit and vegetable consumption, and other key measures of dietary intake, by SNAP participants;
- 2) Identify and assess factors that influence how HIP impacts participants;
- 3) Describe the processes involved in implementing and operating HIP;

- 4) Assess the impact of HIP on stakeholders; and
- 5) Quantify, to the extent possible, the Federal, State, and local administrative and benefit costs of the pilot.

### Methods

**HIP was evaluated using a rigorous research design with random assignment to treatment and control groups.** Of the SNAP households in Hampden County, 7,500 were randomly assigned to the HIP group and the remaining households to the non-HIP group (control group). This experimental study design provides the strongest evidence of causal impact.

**Comprehensive data collection supported analyses of HIP impacts on participants, retailers, and other stakeholders.** Data collected included:

- 24-hour dietary recall interviews of a random subsample of HIP and non-HIP participants
- Focus groups with HIP participants
- EBT transaction data that provided detailed information on households' SNAP EBT purchases
- Retailer surveys and interviews with key stakeholders that provided information to document the process of implementing and operating HIP, examine its effect on stakeholders, and estimate the costs of the pilot and of nationwide expansion of HIP

### Findings

**HIP participants (respondents aged 16 and older) consumed almost a quarter of a cup (26 percent) more targeted fruits and vegetables per day than did nonparticipants.**

- HIP participants reported higher consumption of dark green vegetables, red/orange vegetables, and other vegetables (e.g., celery, cucumbers, mushrooms, green

beans, etc.), and fruits other than citrus, melons and berries (e.g., apples, pears, bananas, grapes, etc.) than non-HIP participants.

- HIP participants increased their consumption of vegetables more than their consumption of fruit.
- Increased fruit and vegetable consumption drove an increased score on the 2010 Healthy Eating Index (62 versus 57 out of 100).

**HIP households spent more SNAP benefits on targeted fruits and vegetables than non-HIP households in participating supermarkets and superstores – \$12.05 versus \$10.86 on average each month – an increase of \$1.19 or 11 percent.**

- HIP households earned average incentives of \$3.65 each month.
- Average monthly purchases of targeted fruits and vegetables were relatively stable across the pilot period.

**HIP households reported higher total spending on fruits and vegetables than non-HIP households.**

- HIP survey respondents reported spending \$78.17 each month on all fruits and vegetables, \$6.15 more than non-HIP households. This includes spending with EBT and other forms of payment in both participating and nonparticipating retailers.
- Two-thirds of HIP households said they bought larger amounts and a greater variety of fruits and vegetables because of HIP.
- Three-quarters of HIP households felt that fruits and vegetables had become more affordable due to HIP.

**HIP participants were more likely to have fruits and vegetables available at home during the pilot.** HIP impacts on consumption were greater for those with greater baseline preferences and/or higher baseline spending on targeted fruits and vegetables.

**Awareness and understanding of HIP increased over time.** Nine to eleven months into the pilot, approximately 24 percent of the

households in the study reported that they had not heard about HIP, as compared to 38 percent unaware of HIP 5 months earlier. Late in the pilot, approximately 25 percent of respondents also reported that HIP was difficult to understand.

**Most retailers did not find HIP difficult to operate.**

- Over 90 percent of participating retailers reported no change in check-out time, and only 15 percent indicated that HIP purchases were hard to process.
- More than half of participating grocery stores received more shipments from a supplier, increased the frequency of restocking the display floor, or increased shelf space for fruits and vegetables.
- Participating retailers without integrated electronic cash registers were more likely to report negative effects on store operations.

**Total costs for implementing HIP, including the \$263,043 in incentives earned by HIP participants, were \$4.4 million.** The largest share of costs (55 percent) were incurred for system design, development, and testing for EBT and retailer systems changes.

**The estimated total cost for implementing HIP nationwide is approximately \$90 million over 5 years,** including costs for modifying EBT and retailer systems and State agency costs. Estimates for annual incentive costs range from \$825 million to \$4.5 billion, depending on assumptions about retailer participation and fruit and vegetable spending.

#### For More Information

Bartlett, Susan, Jacob Klerman, Parke Wilde, Lauren Olsho, Christopher Logan, Michelle Blocklin, Marianne Beauregard, and Ayesha Enver. *Evaluation of the Healthy Incentives Pilot (HIP) Final Report*. Prepared by Abt Associates for the U.S. Department of Agriculture, Food and Nutrition Service, September 2014. Available online at <http://www.fns.usda.gov/ops/research-and-analysis>.