

# Healthy Incentives Pilot Evaluation



## Effective Approaches to Improving Diet Quality

The U.S. public health authorities recommend increasing fruit and vegetable intake as one of several strategies for promoting diet quality (USDHHS, 2010; USDA and USDHHS, 2010). Most U.S. adults fail to meet the Dietary Guidelines for fruit and vegetable intake, and intake shortfalls are larger for low-income Americans and people who receive Supplemental Nutrition Assistance Program (SNAP) benefits. Epidemiological evidence suggests that improved diet quality could help advance key national public health objectives for reducing rates of chronic disease and obesity (USDHHS, 2010).

To improve diet quality, the United States Department of Agriculture's Food and Nutrition Service selected and provided funding to the Massachusetts Department of Transitional Assistance (DTA) to implement the Healthy Incentives Pilot (HIP) in Hampden County, MA. HIP tested a way of making fruits and vegetables more affordable for SNAP participants. Under HIP, SNAP participants received a financial incentive for purchasing fruits and vegetables. For every dollar of SNAP benefits they spent on targeted fruits and vegetables (TFVs) at participating retailers, SNAP households received an additional 30 cents on their SNAP Electronic Benefit Transfer (EBT) card, which could then be spent on any SNAP-eligible foods and beverages. The pilot operated from November 1, 2011, through December 31, 2012.

Abt Associates conducted an evaluation of HIP. The evaluation's main goal was to assess the impact of HIP on participants' intake of fruits and vegetables. The HIP evaluation used a random assignment research design, widely viewed as providing the strongest evidence of causal impact. In addition to determining impacts, the evaluation also assessed the program's



implementation and documented costs, focusing on the program's operational feasibility and potential for national scale-up. (See details on Page 2.)

### HIP Produced Significant Dietary Impacts

- **HIP increased fruit and vegetable consumption of pilot participants by 26 percent.** Compared to non-participants, HIP participants consumed almost one quarter of a cup more of targeted fruits and vegetables than non-HIP participants. This increase was both statistically significant and large enough to be nutritionally relevant.
- **HIP households spent 11 percent more of their SNAP benefits on targeted fruits and vegetables than non-HIP households.** HIP households spent \$12.05 versus \$10.86 each month in SNAP benefits on fruits and vegetables—a difference of \$1.19.
- **Counting both SNAP benefits and cash, HIP households spent \$6.15 (or 8.5 percent) more each month on all fruits and vegetables, compared to non-HIP households.** By this measure, HIP households spent \$78.17 per month versus \$72.02 monthly among non-HIP households.

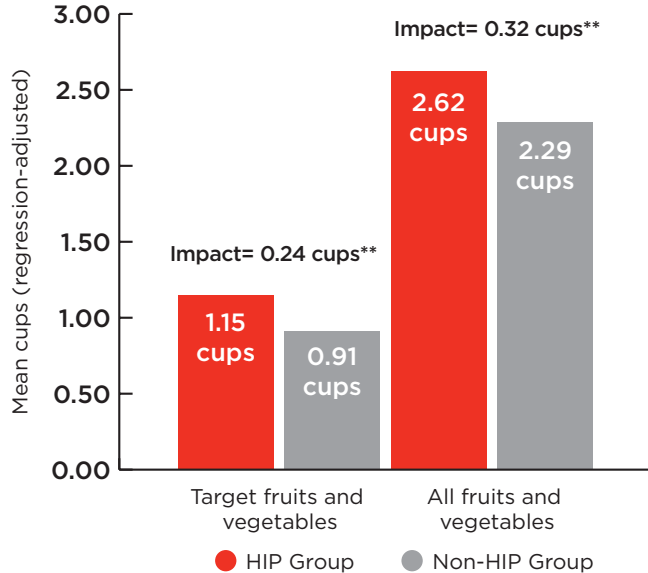
U.S. Department of Health and Human Services. (2010). *Healthy People 2020 (2nd ed.)*. Washington, DC: U.S. Government Printing Office.

U.S. Department of Agriculture and U.S. Department of Health and Human Services. (2010). *Dietary Guidelines for Americans, 2010 (7th ed.)*. Washington, DC: U.S. Government Printing Office.

## Key Implementation Findings

- **Most retailers reported that HIP purchases were easy to process.** Over 90 percent of retailers reported no change in check-out time. Few retailers reported problems during the pilot.
- **Participants received \$3.42 per household per month, on average.** Incentives earned were less than anticipated at the outset of the pilot.
- **Implementing HIP in Hampden County cost \$4.2 million (excluding incentives).** System changes accounted for 58 percent of these costs. Other costs included retailer recruitment, participant notification and training, and management and oversight. Most implementation costs were one-time expenses that could be leveraged in expanding HIP in other sites.
- **The experience in Hampden County demonstrated that HIP was both technically and operationally feasible.** Projected start-up costs to expand HIP nationwide are \$89.8 million. The projected value of incentives with nationwide expansion, based on plausible scenarios about SNAP households' fruit and vegetable spending, ranges from \$0.8 billion to \$4.5 billion annually.

## Daily Consumption of Fruits and Vegetables



\*\* Difference between HIP group and non-HIP group is significantly different from zero at the  $p < 0.01$  level. Source: Healthy Incentives Pilot (HIP) Final Report, 2014 (Exhibit 8.3).

## The Evaluation of the Healthy Incentives Pilot

The overall goal of the HIP evaluation was to assess the impact of HIP on participants' intake of fruits and vegetables. The evaluation also did the following:

- Examined the mechanisms through which HIP affected consumption, including participant attitudes, food expenditures, shopping patterns, and family home food environment
- Assessed the effect of HIP on retailers, State and local SNAP offices, and community organizations
- Described how HIP was implemented and operated
- Considered the feasibility and costs of expanding HIP

About 7,500 SNAP households in Hampden County were randomly selected to participate in HIP, while the remaining 47,595 SNAP households continued to receive benefits as usual. Various types of data were collected from numerous sources, including: telephone surveys with a random subsample of HIP and non-HIP participants; EBT transaction data; retailer surveys; interviews with key stakeholders; and administrative cost data.

For the evaluation reports, please go to:

<http://www.fns.usda.gov/hip/healthy-incentives-pilot>

