

The Economic Contribution of Nourish Colorado’s Fruit and Vegetable Incentive Program

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- In 2018 Nourish Colorado’s Double Up Food Bucks program provided \$167,911 of incentives that resulted in \$452K of economic impact to Colorado’s economy
- Fruit and vegetable incentive programs provide economy-wide benefits in addition to the health benefits for low-income families of more affordable produce

Food assistance programs take many forms. Some are administered at the federal level, such as the Supplemental Nutritional Assistance Program (SNAP), while others are run by local organizations, such as regional food pantries. One type of food assistance program that has gained popularity in recent years are fruit and vegetable incentive programs. These programs typically provide people who already participate in an existing food assistance program, such as SNAP, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), or food prescription (Food Rx) programs, with additional funds to purchase fresh fruits and vegetables.

Nourish Colorado is a non-profit based in Denver, CO that works to ensure all Coloradans have equitable access to nourishing food. It runs Colorado’s Double Up Food Bucks program, which matches (up to \$20 per visit) SNAP dollars spent at participating locations with benefits for fresh Colorado-grown fruits and vegetables. The program operates in farmers’ markets, farm stands, CSAs, small-scale retailers, and large grocery stores. For more information about the program, visit <https://doubleupcolorado.org/>.



Economic impact or contribution assessments can help tell the story of how a food system initiative, policy, or program stimulates economic impacts, not just in the local food and agricultural sector, but throughout the entire economic region of interest. An economic contribution analysis uses an input-output accounting framework to estimate the magnitude of a project or program’s role within the context of the overall economy of a region. The resulting “output multiplier” is a measure of the total economy-wide contribution for every dollar invested in a defined program or project.

In 2018, LiveWell Colorado provided \$167,911¹ of incentives that were spent across the state of Colorado with \$137,909 going directly to farmers through sales at farmers’ markets, farm stands and CSAs and \$30,002 going to food retailers, where customers are required to purchase only Colorado-grown produce (Table 1). The resulting economic contribution to Colorado’s economy of this program was \$452K, 2.3 jobs² and \$105K in labor income.³ The implied output multiplier is 2.9 for farm-direct sales, 1.6 for incentives spent at food retailers, and weighting these effects, an overall multiplier of 2.7. This means, that for every dollar spent on incentives at farm-direct outlets the contribution to the economy was 2.9 dollars, and for every dollar spent at food retailers the contribution to the economy was 1.6 dollars.

Table 1. Statewide economic contribution of Colorado’s Double Up Food Bucks program

	Incentives (\$)	Economic contribution			Output multiplier
		Output (\$)	Employment (jobs)	Labor income (\$)	
Incentives spent on farm-direct sales to local F&V farmers	137,909	402,964	1.9	86,669	2.9
Incentives spent on F&V at retail food sales	30,002	49,473	0.4	17,986	1.6
All incentives	167,911	452,438	2.3	104,655	2.7

The most obvious benefits of fruit and vegetable incentive programs are the health benefits of higher fruit and vegetable consumption, particularly for low-income populations, who may tend to have poorer health outcomes due to health disparities built by disparities in place, race, and income. Such programs are tied to local economies through worker health and productivity, as well as food supply chain relationships. They provide economic benefits, not only by boosting the value of participants’ food dollars, but also by increasing commercial activity in the economy at large.

The San Francisco Bay Area Planning and Urban Research Association (SPUR) commissioned an economic contribution analysis of twelve fruit and vegetable incentive programs around the country. This brief is based on the findings of that analysis, performed by Allie Bauman with support from Phil Watson and Todd Schmit. You can access the full report on SPUR’s website at <https://www.spur.org/>.



¹ \$167,911 is the gross incentive contribution. We assume a consequent 30% increase in food purchases, based on Canning and Stacy’s 2019 USDA ERS Research Report No. 265 The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier. Although the direct monetary impact is evaluated solely on the food and agricultural sectors given that they are the target sectors for the policy, the output multiplier adds the indirect effects that spill over more broadly to other sectors and to other associated industries, such as through intermediate suppliers and household spending,

² Employment is a job, that job can either be a full time or a part-time job and a person can hold more than one job, so the job count and number of persons employed is not necessarily the same

³ Employee compensation and proprietor income