three square
working together, we serve hope
FEEDING AMERICA

Hunger and Home Foreclosure:

Making Connections and Strengthening Strategic Approaches in Southern Nevada

Executive Summary

Three Square seeks to identify trends in our population that may indicate an elevated risk of food insecurity and its most extreme counterpart: hunger. As a result of Three Square's efforts to better understand the complexities of hunger, the community in which we serve, and how best to help struggling families in Southern Nevada, Three Square conducted research on home foreclosure and food insecurity.

Unemployment is the greatest predictor of food insecurity, as well as a leading cause of home foreclosure. Although macro population numbers do not adequately demonstrate the personal stories of struggle, sacrifice and survival, Three Square believes that our research data demonstrates adequate evidence to draw certain conclusions from, including 1) home foreclosure is at least a risk factor for food-insecurity, and 2) it is likely that many households struggling with home foreclosure issues are geographically isolated from social service systems, including food pantries.

As a result of our research, Three Square has requested funding from the Office of the Attorney General as part of the Mortgage Lender's Settlement to States. Nevada was awarded around $90 million in funding to mitigate the ill-effects of home foreclosures on families and to help preserve neighborhoods decimated by foreclosures. With the financial support to build capacity in fourteen (14) identified at-risk ZIP codes, Three Square will be able to increase the amount of charitable food distributed in these neighborhoods and foster a stronger, more effective social safety net for families still struggling from the effects of the recession.

Background on Three Square

Three Square's mission is to *"provide wholesome food to hungry people, while passionately pursuing a hunger-free community."*

As Southern Nevada's only food bank and largest hunger-relief organization, Three Square exists to serve the 300,000 Southern Nevadans estimated to be struggling with hunger.[1] Since opening four years ago, Three Square has provided more than 75.1 million pounds of food to hundreds of thousands of people in need—a growth rate most food banks require ten to fifteen years to achieve—and distributed more food than in the entire history of the previous Clark County Community Food Bank.

In 2011 alone, Three Square provided nearly 25 million pounds of food (the equivalent of over 18 million meals) to approximately 100,000 food-insecure Southern Nevadans each month through a network of 250 Agency Partners including food pantries, soup kitchens, homeless shelters, senior centers and faith-

[1] Feeding America's "Map the Meal Gap" Report, released in April 2011.

based organizations. Approximately 40% of the people served by the Food Bank in 2011 were children and 16% were senior citizens. Three Square's 2012 goal is to provide at least 26 million pounds of food.

Home Foreclosure and Unemployment

In January 2011, USA Today[2] reported on the continued impact of unemployment and home foreclosure rates,

> "High unemployment drove up foreclosures in 72% of 206 leading metropolitan areas last year, including many not hit as hard by the initial foreclosure waves that pounded cities in Nevada, California and Florida, market researcher RealtyTrac reports today. Las Vegas posted the nation's highest metropolitan foreclosure rate, with one of nine homes receiving a foreclosure filing last year. That was down 7% from 2009."

Unemployment is one of the leading causes of home foreclosures. High rates of home foreclosures and high indebtedness in pre-recession "boom" states like Nevada led to sustained decreases in consumerism during the recession which resulted in the loss of many jobs. Nationwide, unemployed persons found themselves without job prospects for extended periods of time, but in Nevada, where the average education level is lower than many other states, the crisis of extended unemployment was magnified.

One research study focused on the toxic combination, found in boom states including Nevada, of high indebtedness, home depreciation caused by the bursting of the housing bubble, and home owners' average level of education. Karen Dynan, author of a draft report for the Brookings Institute[3], articulates this connection to the risk for extended unemployment and home foreclosure: "In boom states, highly indebted home owners were less likely to have a degree, in contrast with patterns for homeowners in other states." She goes on to say that level of education may have also played a role in potential home owners falling prey to mortgage lending situations that burdened them with much higher than average income to debt ratios.

Another research study, published in Nursing Outlook[4], pointed to the monthly income to debt ratio of homeowners in default or foreclosure with the average being 64% of monthly income to mortgages

[2] USA Today, "High unemployment drove foreclosures in 2010." Written by, Julie Schmit. Published, January 27, 2011.
[3] Karen Dynan, "Is Household Debt Overhang Holding Back Consumption?" Draft report for Brookings Institute. Submitted, March 14, 2012.
[4] Nursing Outlook, "Housing Strain, Mortgage Foreclosure and Health." Written by, CC Cannuscio, et al. Published, October 13, 2011.

alone. The recommended ceiling for monthly income to housing debt is 33-35%. The critical factor of monthly income to debt ratio is particularly important in a community like Clark County, where 40% of food insecure households have an income exceeding 200% of poverty[5] (about $46K annually for a family of four) making them **ineligible** for federal nutrition programs like free breakfast and lunch at school or the Supplemental Nutrition Assistance Program (SNAP), yet they still struggle with securing an adequate food supply because they are burdened with disproportionately high mortgages. This same article reported higher self-reporting of poorer physical and mental health problems among home owners in default or home foreclosure than other home owners. Certainly, the psychological stress of crushing indebtedness is one factor; another could well be that a household's inability to secure their own adequate supply of food results in less food, lower nutritional value, and poorer overall health.

Housing and Health Disparities

In July 2012, Shaun Donovan, U.S. Secretary of Housing and Urban Development, spoke to the National Council of La Raza in Las Vegas[6]. Mr. Donovan presented research demonstrating the disproportionate rates of home foreclosure among Hispanic and African-America households. Within these vulnerable populations, Mr. Donovan stated that "with 1.3 million Latino families having lost their homes, the Latino community has been harder hit than anyone." He further stated that these groups have experienced a disproportionate rate of home foreclosures, with Hispanics and African-American households being twice as likely to have faced foreclosure.

Dr. Craig Gunderson, creator of Map the Meal Gap for Feeding America and former researcher for the U.S. Department of Agriculture on issues of hunger and food insecurity, identified Hispanic and African-American households as being more likely to experience food insecurity, comparative to all other races/ethnic households.

Hispanic and African-American households are also more likely to be uninsured for health care needs, further straining household finances while compromising their health, productivity and consistent employment and increasing the cost of care for the community overall, through the public health system.

The Rise of Hunger in Clark County

Three Square began serving Southern Nevada in December 2007, filling an identified void and documented need for a food hub to distribute charitable food through a selected network of partners[7].

---

[5] Feeding America's "Map the Meal Gap" Report, released April 2011.

[6] Las Vegas Sun, "La Raza Speaker: Latino Homeowners Hit Hardest," on July 11, 2012. Written by, Tovin Lapan.

[7] The previous community food bank lost its Feeding America charter and was subsequently shut down by Clark County for non-compliance and mismanagement.

However, Three Square's subsequent growth trajectory is due to much more than being the "new kid on the block." Three Square's rapid growth is a direct result of increased programming and increased Agency Partnerships established in response to the increased demand for emergency food assistance among Southern Nevadans since 2007.

According to the United State Department of Agriculture's Household Food Insecurity Survey, 8.5% of Nevadans were facing or worrying about their own food shortages prior to 2008[8], equating to less than 200,000 individuals in Clark County. Considering the years of recession we have faced as a nation, and especially here in Nevada, social safety net providers like Three Square look back on 2008 as the base year, the pre-recession year used to compare the subsequent years of recession against. The years since 2008 have been plagued with triple unemployment which has increased the demand for charitable food assistance, as well as federal nutrition assistance programs like SNAP – an income eligibility program providing direct cash assistance to low-income households restricted to food purchases at retail markets. Table 1 below indicates the correlation between unemployment and utilization of SNAP:

Table 1: Nevada SNAP Participation and Unemployment

Year/Month	Total SNAP Participants	Nevada Unemployment Rate
2007 - March	119,596	4.3%
2008 - March	137,589	5.3%
2009 - March	192,276	10.9%
2010 - March	272,425	14.8%
2011 - March	329,105	13.2%
2012 – March	354,081	12.0%

Not only has demand increased, the length of time that a household experiences need has also increased. The USDA recently reported that SNAP households are staying on the program for longer periods: the average length of benefits for households between 2008-2010 was ten months, an increase of two months from the average between 2006-2008. This longer range assistance need also accounts for higher monthly caseloads and rates of participation in all food assistance programs, both government and charitable.

Three Square has responded to Southern Nevada's need for more emergency food during this economic crisis by challenging itself to work harder, work smarter and secure more food and financial resources (primarily from the private sector). The result: Three Square has exceeded annual food distribution goals set forth in its strategic plan in each of the four years it has existed by an average of nearly 25%. Table 2

[8] USDA "Household Food Insecurity in the United States, 2008." Released, November 2009.

demonstrates Three Square's growth since its inception in late 2007. Three Square is considered a large food bank, by Feeding America standards, yet its accomplishments have been achieved without federal commodity programs like The Emergency Food Assistance Program (TEFAP) and Commodity Supplemental Food Program (CSFP), typical food resources among many other food banks in the country.

Table 2: Three Square's Strategic Plan Goals vs. Actual Distribution in Pounds and Meals

Strategic Plan Objective	Goal	Actual	Meal equivalent
2008 - Distribution of food and grocery products to the community, calculated in pounds/meals	10 million	10.7 million	7.6 million
2009 - Distribution of food and grocery products to the community, calculated in pounds/meals	12.8 million	17.3 million	12.4 million
2010 - Distribution of food and grocery products to the community, calculated in pounds/meals	20.4 million	22.2 million	15.9 million
2011 - Distribution of food and grocery products to the community, calculated in pounds/meals	24 million	24.9 million	18 million

Map the Meal Gap

Feeding America first developed and released its groundbreaking "Map the Meal Gap" research on a county level in April 2011, using data from 2009. It was the first time that county level food insecurity had ever been made available; previous food insecurity data had been on the state level, as part of the USDA's Household Food Insecurity research. The most interesting difference between the metrics used to determine household food insecurity by the USDA and Feeding America is the weight given to unemployment rates. The USDA has historically used poverty as the leading indicator but recognized that this often fell short of the population rates utilizing food assistance programs. Due to Feeding America's groundbreaking research, today unemployment is well-recognized as the greatest predictor as to whether or not a household will experience food insecurity. In April 2012, Feeding America released an updated "Map the Meal Gap" report using 2010 data: http://feedingamerica.org/hunger-in-america/hunger-studies/map-the-meal-gap.aspx

Three Square has applied an even finer filter to its research by tracking food insecurity in Clark County on a *ZIP code level*, compiling annual data from 2009, 2010 and 2011 in an intensive effort to more strategically advance the work of hunger-relief in our community. The metrics and formula used to calculate food insecurity on a ZIP code level are the same ones used by Feeding America to determine county level food insecurity. Neighborhood level food insecurity data maps were first released in April 2011. Due to the fact that Three Square has access to more recent local data, we can demonstrate a more current picture of the food needs of households in the greater Las Vegas Valley (excluding the more rural areas of Clark County). Our Food Insecurity by ZIP Code Maps (**Appendix A**) reflect three

years of data on food insecurity in Clark County from 2008-2011. Three Square has also included two years of data on home foreclosures by ZIP code from years 2010 and 2011. (**Appendix B**)

"Map the Meal Gap" fuels our strategic efforts to better serve our community. The map indicates need and therefore helps us better understand general geographic areas where our efforts should be directed. It is not, however, to be used to interpret the hunger-relief efforts in a given neighborhood. The premise of "Map the Meal Gap" is that hunger is a public health problem – one that cannot be solved by food banks alone but, rather, must be addressed by the charitable food assistance network in concert with federal and state programs and reflect employment initiatives, minimum/living wages, and local cost of living.

Feeding America interprets "Map the Meal Gap" this way: in any given community, hunger not just exists but *persists.* The percentage of food insecure individuals in a community represents the lack of food assistance or food access that persists despite our current efforts to provide hunger-relief. Recent research supporting Map the Meal Gap's philosophy reveals that food insecure individuals are still lacking about 5 meals per week over an eight month span, or about 160 meals per year. Food banks understand that their efforts represent 20-25% of the total need in a community, and through "Map the Meal Gap" that estimate has been largely justified considering the output of charitable food pounds into the network for families in need.

To complete the picture of food insecurity in Clark County, Three Square's Research and Public Policy Department applies several formulas to calculate the gap between the total food needs of a ZIP code and the progress made by the food bank. First, the number of individuals with persistent food insecurity is calculated according to the food insecurity percentage and the total population of each ZIP code. The Map the Meal Gap picture of need is equal to 1 food insecure person x 160 additional meals. To equate meals to pounds distributed through the charitable network, food banks use the standard metric of 1.28 pounds of food (to account for packaging and pre-cooked weight) per meal. Together, the Map the Meal Gap need and the chartable pounds distributed indicate the community's total food need. The gap, for the food bank, represents 25% of the total food pounds needed to the total food pounds provided. The other 75% are considered "missing meals" which can and should be addressed through increased SNAP utilization and greater participation in other federal programs like free school lunch and breakfast.

Challenges in Addressing the Food Assistance Needs in High Foreclosure Neighborhoods

Three Square serves as the backbone organization for Southern Nevada's emergency food network, a broad community collaborative currently comprised of about 240 Agency Partners in Clark County. Agency Partners are the critical link in the supply chain where food actually transfers to the people who are struggling with hunger:

food source ➲ Food Bank ➲ Agency Partner ➲ people who are hungry

Because Three Square does not provide food directly to individuals it cannot serve a geographic area if there is not an Agency Partner housed or operating in that area. In delving into Three Square's data denoting pounds of food distributed per person in poverty for each ZIP code, it is evident that the focus has been the urban core where more Agency Partners are housed and operating. Our community's urban core struggles with chronic poverty and, as a result, has a social service infrastructure: public and para-transit transportation, welfare offices, and family resource centers. While food insecurity rates are high in these geographic neighborhoods, so is the proportionate amount of charitable food resources.

Beginning in 2009, recently developed sub-urban areas were hardest hit in home foreclosures and high unemployment. **The first major challenge:** these neighborhoods were not designed with acute poverty in mind or the social service infrastructure that helps mitigate the domino effect of multiple needs experienced by highly indebted households and potentially serve as gatekeepers for multiple resources available during devastating economic crisis like the current recession. The lack of an infrastructure to support social safety net programs like charitable food distribution have resulted in a disproportionate lack of access to these critical services in sub-urban neighborhoods. **The second major challenge:** a disproportionate amount of charitable food resources are being distributed in these neighborhoods. **Appendix C** indicates that fourteen (14) of the highest foreclosure neighborhoods received just 7.7% of the estimated food assistance needed, a far cry from the county's overall one-quarter (about 23%) met need in 2010.

Table 3, below, as well as **Appendix C**, clearly demonstrates the lack of infrastructure in ZIP codes west of the 215 beltway that were hardest hit in home foreclosures. Many of these ZIP codes do not have an associated Agency Partner operating there and, as a result, it's difficult to know how many pounds of food through the charitable network were distributed to households in need in sub-urban areas as it is evident families in these areas must exit their own neighborhood and travel a greater distance to receive food assistance at a distribution site. In addition to the lack of infrastructure that supports food distribution access points, it is recognized that existing agencies in these areas, for the most part, have limited/small distributions.

Table 3: Risk Factors among Identified At-Risk ZIP Codes

Zip Code	FI Rate	Foreclosures (1 X Number of Homes in Zip)	Significant Under-Utilization of SNAP Among Eligible Households	Number of Agency Partners Located in Zip Code
89031	12.3%	14.0		4
89032	14.1%	20.7		13
89081	12.3%	17.6	X	3
89084	11.7%	16.0	X	0
89085	13.3%	19.8	X	1
89113	10.6%	19.8	X	2
89139	13.0%	15.6	X	1
89141	11.8%	21.1	X	0
89143	9.1%	18.8		1
89148	10.4%	22.6		1
89149	10.7%	15.4	X	0
89166	10.3%	17.3		0
89178	11.6%	18.4	X	0
89179	11.9%	18.6	X	0

Opportunities

The two barriers described in the "Challenges" section above can be overcome with focused determination and a contagious passion for hunger-relief. Three Square's current Program Partners--including non-profit agencies, faith-based organizations, schools, and education and employment centers—are certainly dedicated and committed to their work of helping those in need. Three Square's staff and Board of Directors share those characteristics, as shown by their track record of consistently exceeding ambitious annual goals and rising to meet new challenges and opportunities.

- Three Square's Agency Services team is responsible for identifying potential partners, developing relationships and securing Agency Agreements. They serve as monitors to ensure that Feeding America strict standards for food distribution efforts are maintained. As such, Agency Services will serve as our first line of defense for growth of food pounds distributed through the charitable network.
- Three Square's operations team has a fleet of 20 large food delivery trucks on the road at any given time, picking up food and grocery products from more than 160 grocery partners

and delivering them to more than 50 food rescue sites. This fleet also delivers food that has been ordered (via our online system) directly to non-profit agencies, as well as food and meals that have been pre-assembled and prepared in our on-site Community Kitchen for Three Square's multiple child nutrition programs.

- Three Square's Programs Department is diligently working to increase charitable food and meal distribution sites and caseloads in several nutrition programs including those for children and seniors.
- Three Square's SNAP Outreach Team doubled in size in July 2012, further evidence of our commitment to leveraging every available federal dollar that will benefit Southern Nevadans in terms of helping struggling families better afford their own food purchases, as well as the ripple effect of stimulus to the local business community through increased spending.

Approximately 40% of the nearly 100,000 individuals served through Three Square's charitable network and nutrition programs are children 18 years of age and younger. Another 15-20% in any given month are seniors 60 years of age and over. Three Square exceeds efficiency measures in nearly every way in comparison with other large non-profits and even other food banks in the Feeding America network. More than one-third of Three Square's entire workforce is in the form of volunteerism. In 2011, Three Square volunteers contributed more than 80,000 hours of service, the equivalent of about 40 full time positions. Three Square currently employs about 80 full time team members.

Three Square's team members have reviewed the targeted ZIP codes and carefully considered the under-served nature of these neighborhoods in our community. Staff has coalesced around three positive outcomes we will achieve in a two-year period benefiting food insecure households living in these neighborhoods:

Outcome 1: Increased access to charitable food assistance

Activities: Actively seeking, soliciting and securing new Agency Partners

Impact: Residents will be able to access charitable food assistance in or closer to their own neighborhoods.

Outcome 2: Greater and more equitable distribution of food resources

Activities: Increasing access to free sources of food and meals in targeted neighborhoods and serving more households through the charitable food assistance network

Impact: Fewer neighborhoods without food distribution activity

Outcome 3: Strengthened social safety net for struggling families

Activities: Three Square leverages outreach services by partnering with other organizations, such as SNAP outreach, WIC, energy assistance, etc.

Impact: More social services and programs are made available at food distribution sites helping more families with additional food assistance *and* other eligible services

Innovative Partnerships

Three Square desires an improved capacity and safety net infrastructure among fourteen (14) identified suburban neighborhoods in a concerted effort to mitigate the effects of the recession, and more effectively assist families that have suffered greatly from high unemployment and high home foreclosures in their neighborhoods—and associated food insecurity in their households.

Three Square has respectfully requested that a portion of Nevada's Mortgage Lender's Settlement be directed to hunger-relief efforts in Clark County. Funding and innovative partnerships will provide greater access among struggling households to the charitable food assistance network, which consistently serves around 100,000 individuals per month, about 40% of whom are children and 15-20% older adults.

Three Square has prepared this White Paper on Hunger and Home Foreclosure to make the case for prioritizing fourteen suburban neighborhoods and presenting specific innovative partnerships working elsewhere that can be adapted for our community. Those that will be fully discussed at the Hunger Forum in October 2012 include:

Safety Net Marketing: Partnerships that effectively communicate gatekeepers offering safety net services to a targeted population of people that are at risk of home foreclosure.

⇨ *Example: Inclusion of education information on SNAP benefits and Three Square's call center for application assistance to delinquent utility consumers.*

⇨ *Example: Pantry referrals to every client seen for financial counseling or mortgage mitigation.*

Mobile Pantries: Partnerships that will provide greater access to charitable food in priority neighborhoods. All priority neighborhoods should have a hunger-relief presence and charitable food distribution activity.

⇨ *Example: Temporary distribution points in priority neighborhoods in partnership with Agency Partners.*

Safety, Health and Education: Partnerships that empower neighborhoods to work together with City and County services, using access to healthy food as the invitation to individual members of the community.

⇨ *Example: Community Policing and using free sources of food as an invitation to convene at-risk neighborhoods and as a tool to reach out to individuals or households in need.*

⇨ *Example: Meals provided at after-school and summer time literacy programs in priority neighborhoods.*

⇨ *Example: Benefits counseling and application assistance or SNAP call-center referrals in emergency care settings.*

three square

working together, we serve hope

FEEDING AMERICA

Hunger and Home Foreclosure:

Making Connections and Strengthening Strategic Approaches in Southern Nevada

Appendix A

Map the Meal Gap:

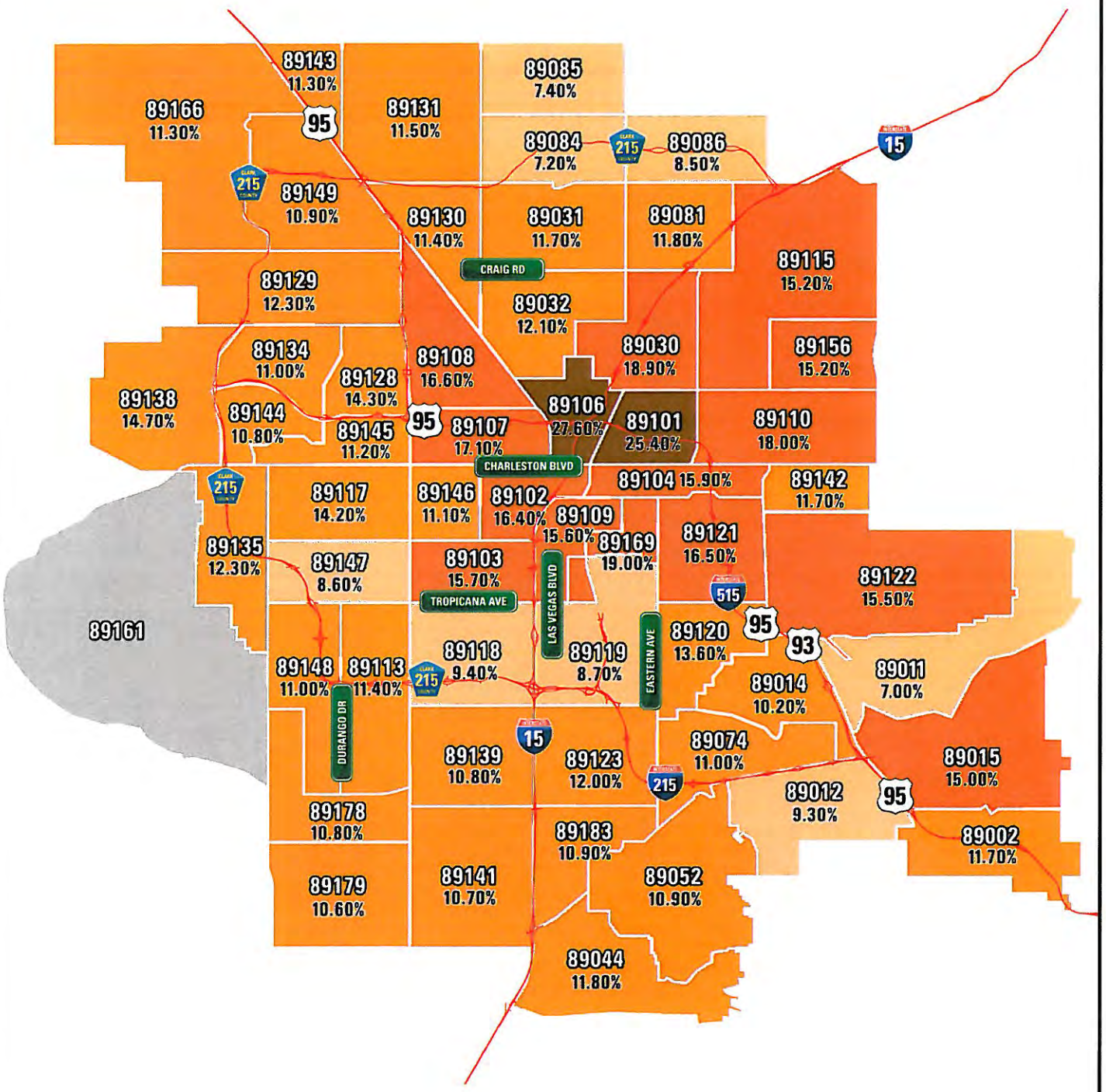
Las Vegas Valley ZIP Code Maps on Food Insecurity

Years 2010, 2011 and 2012

**Darkest shades are those neighborhoods with highest food needs.*

FOOD INSECURITY BY ZIP CODE 2012

(2011 Data)

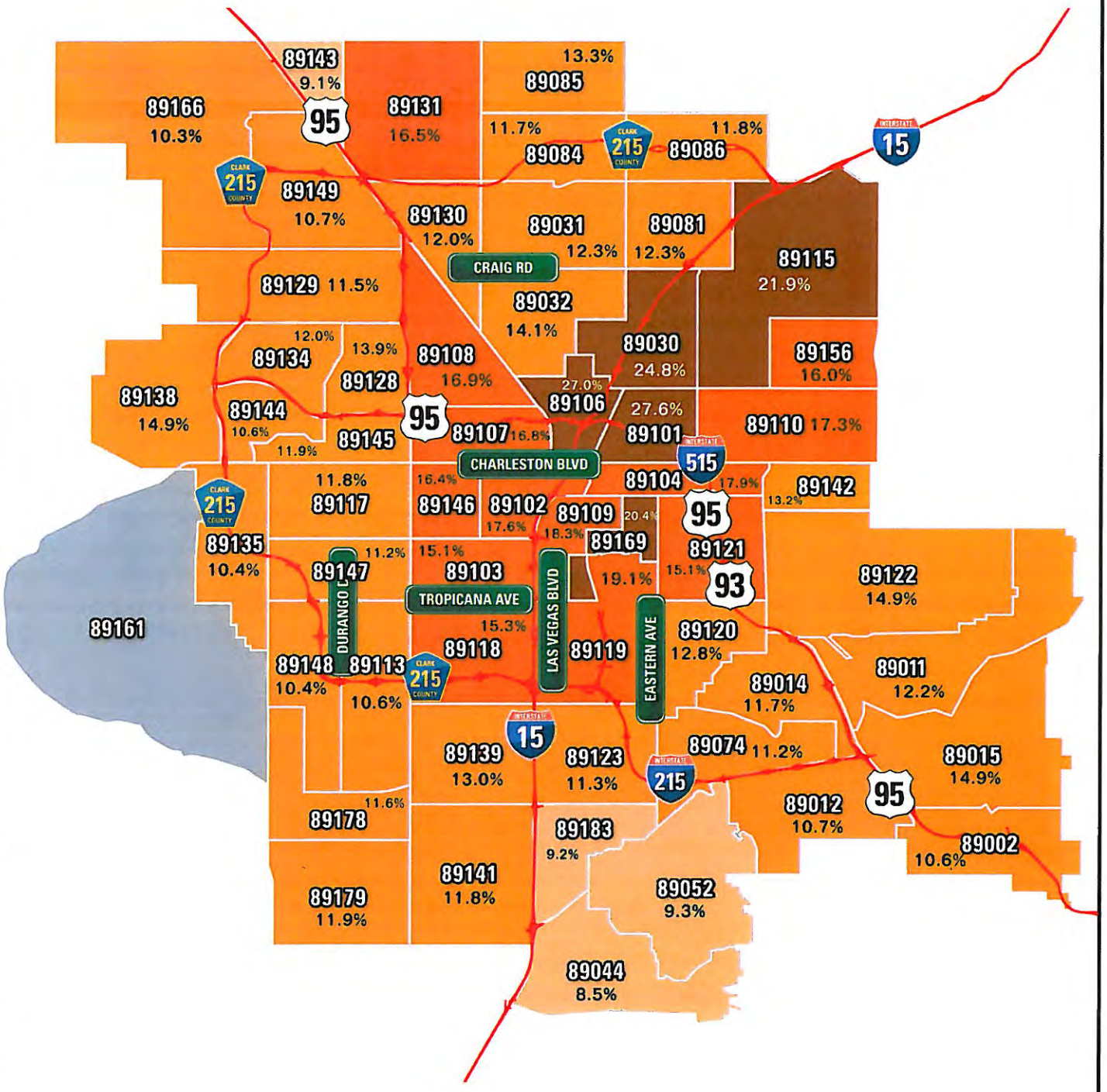


three square
working together, we serve hope™

APPLIED ANALYSIS

FOOD INSECURITY BY ZIP CODE 2011

(2010 Data)

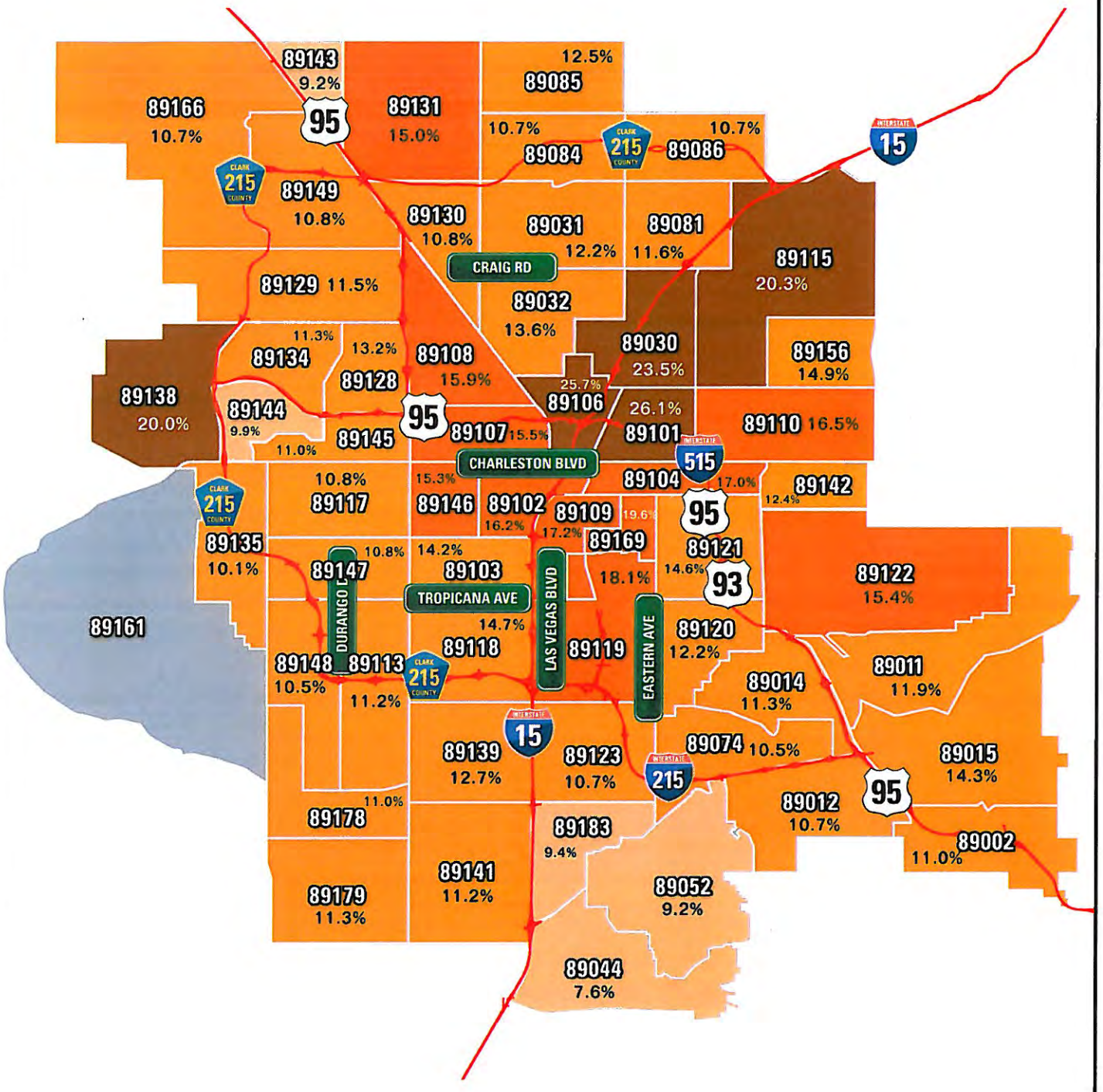


three square
working together, we serve hope

APPLIED ANALYSIS

FOOD INSECURITY BY ZIP CODE 2010

(2009 Data)



three square
working together, we serve hope

Less than 10.0%
10.0% - 14.9%
15.0% - 19.9%
20.0% or Greater

APPLIED ANALYSIS

three square

working together, we serve hope

FEEDING AMERICA

Hunger and Home Foreclosure:

Making Connections and Strengthening Strategic Approaches in Southern Nevada

Appendix B

Home Foreclosure Rates:

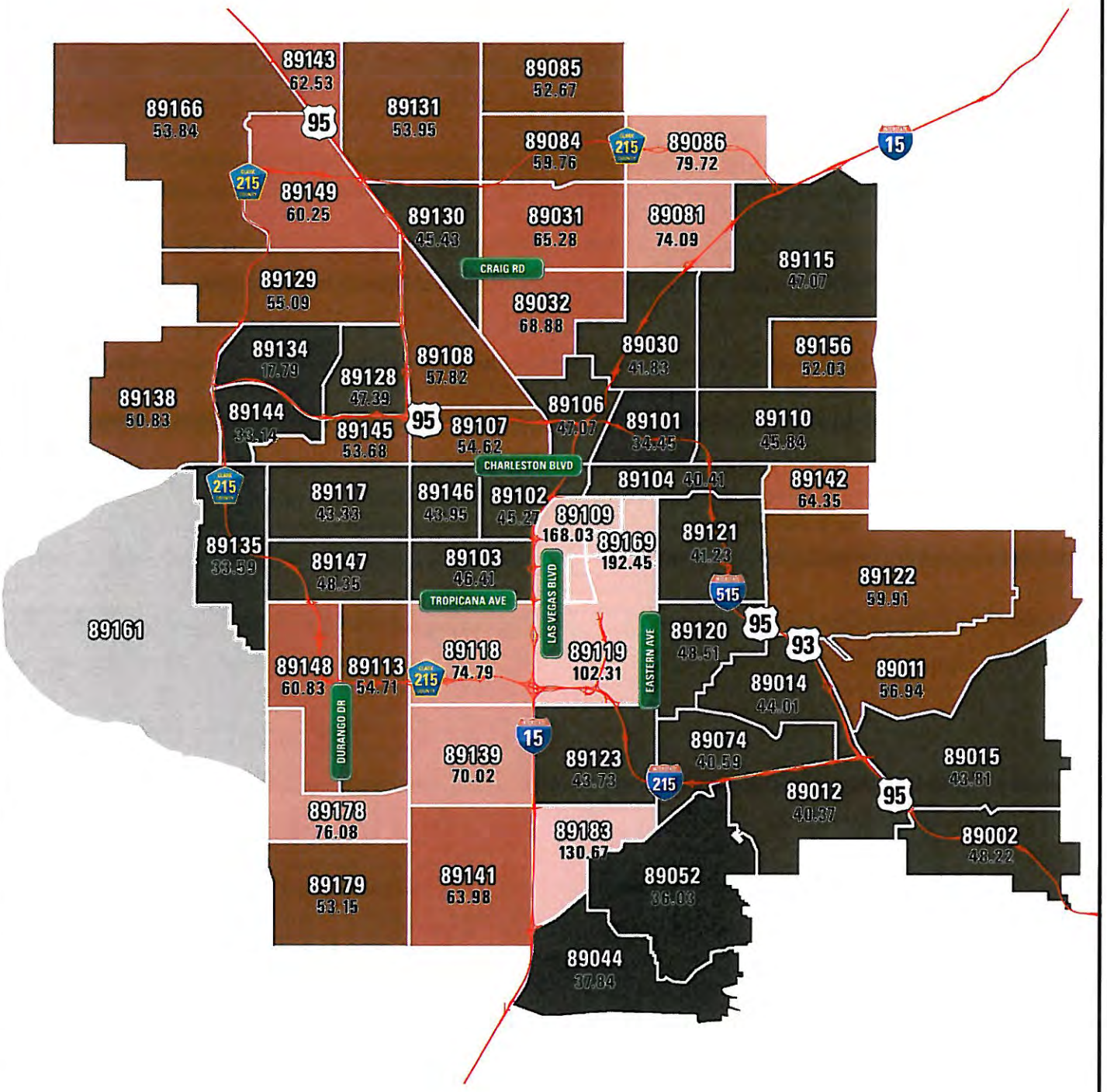
Las Vegas Valley Maps

Years 2011 and 2012

**Darkest shades are those neighborhoods with highest rates.*

Foreclosures 2012 - 1 Per X Housing Units

(2011 Data)



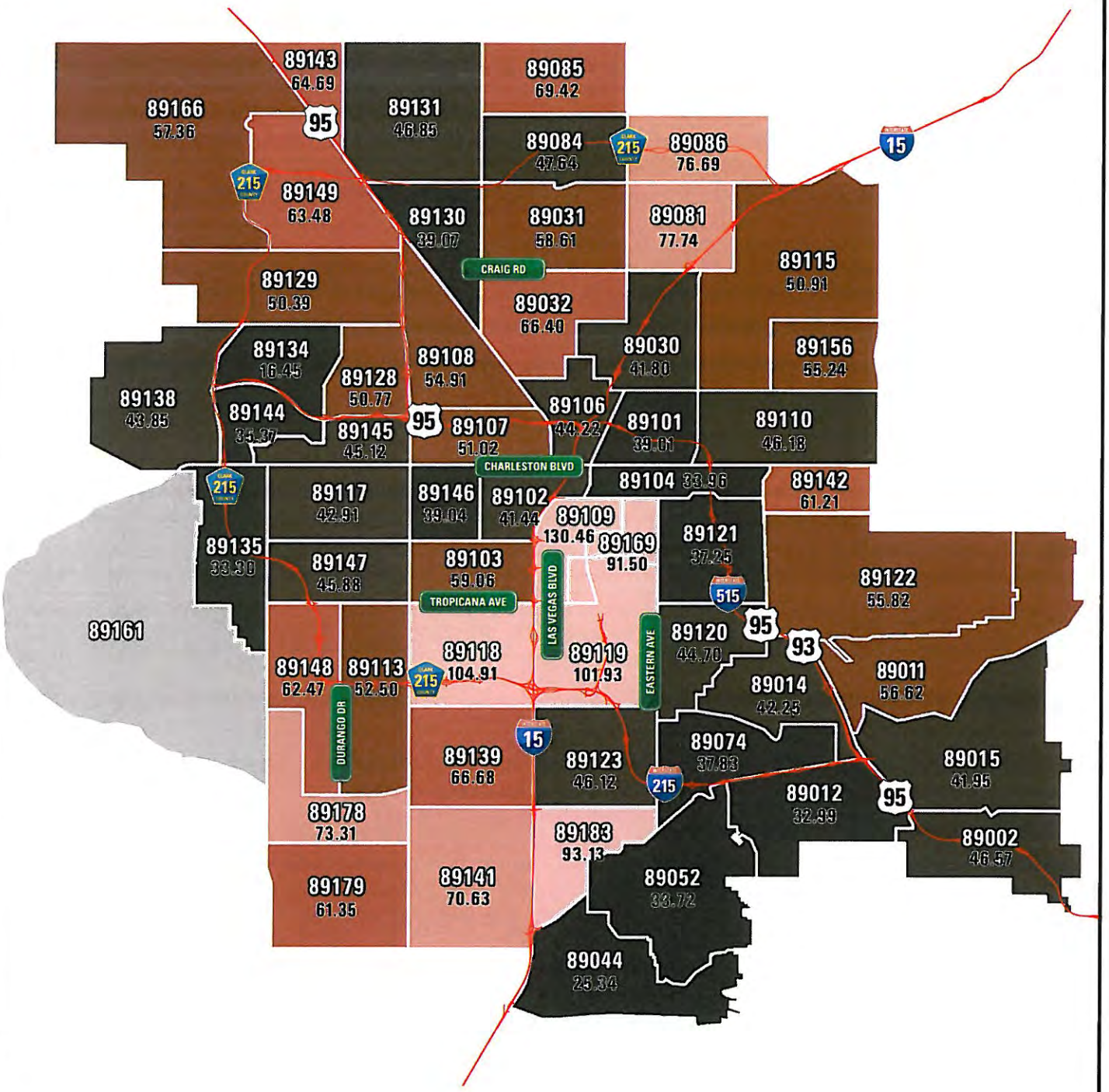
three square
working together, we serve hope

Less than 40
40 - 49
50 - 59
60 - 69
70 - 79
80 or Greater

APPLIED ANALYSIS

Foreclosures 2011 - 1 Per X Housing Units

(2010 Data)



three square
working together, we serve hope

Less than 40	50 - 59	70 - 79
40 - 49	60 - 69	80 or Greater

APPLIED ANALYSIS

three square
working together, we serve hope
FEEDING AMERICA

Hunger and Home Foreclosure:

Making Connections and Strengthening Strategic Approaches in Southern Nevada

Appendix C

Charitable Food Lbs in At-Risk Neighborhoods by ZIP Code Tracking Years 2008, 2009, 2010 and 2011

Three Square
History of Charitable Food Pounds Distributed
In Identified At-Risk Zip Codes

Zip Code	Charitable Lbs Distributed in 2008	Charitable Lbs Distributed in 2009	Charitable Lbs Distributed in 2010	Charitable Lbs Distributed in 2011	Number of Agency Partners Located in Zip Code in 2011
89031	36,488	229,034	480,108	114,102	4
89032	397,217	376,446	400,031	518,217	13
89081	33,249	58,675	46,052	57,792	3
89084	0	0	0	0	0
89085	0	0	5,584	5,725	1
89113	0	25,333	53,793	65,817	2
89139	7,599	23,247	1,617	13,767	1
89141	0	0	0	0	0
89143	0	0	0	13,716	1
89148	9,207	2,919	1,488	0	1
89149	0	0	0	0	0
89166	0	0	0	0	0
89178	0	0	0	0	0
89179	0	0	0	0	0
Total	483,760	715,654	988,673	789,136	26