

# Taxing Groceries Would Make New Mexico's Food Insecurity Problem Worse

## NEW MEXICO HAS THE HIGHEST CHILDHOOD FOOD INSECURITY RATE IN THE NATION<sup>1</sup>

- **26.6%** of our children don't have access to enough nutritious food

## CHILDHOOD FOOD INSECURITY IS ASSOCIATED WITH<sup>1</sup>:

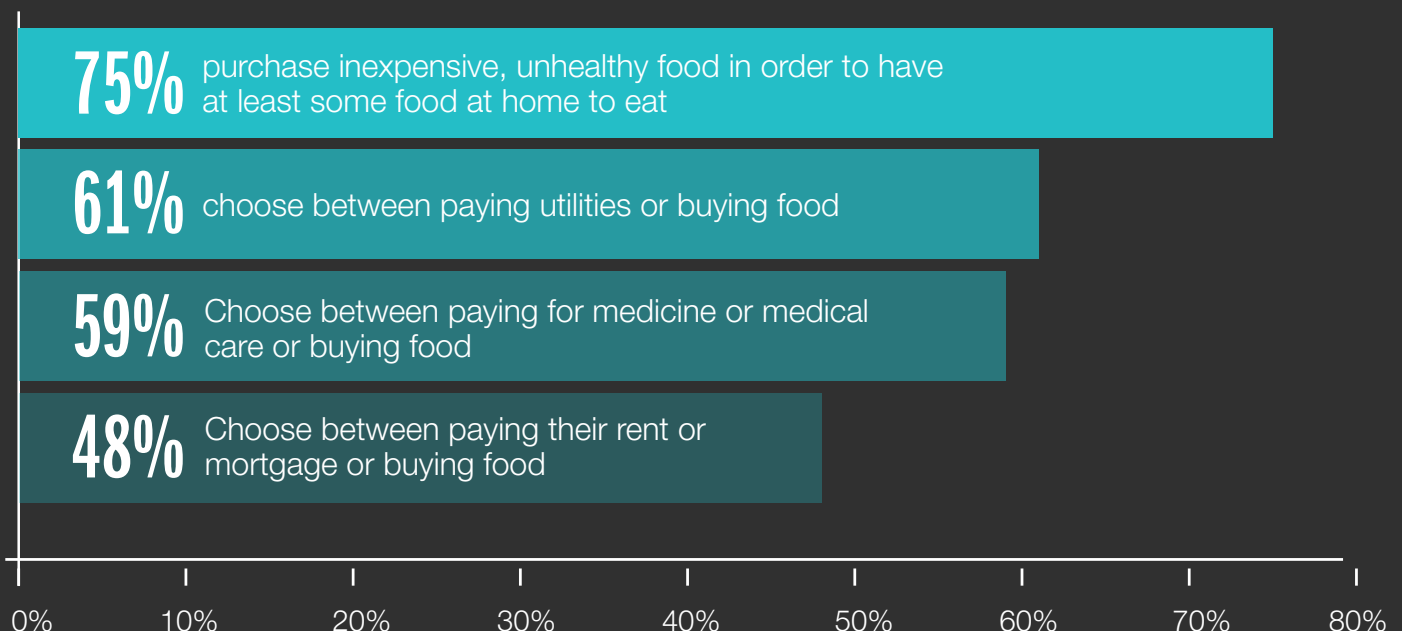
- Increased risk of developmental delays and chronic disease
- Forgone medical care
- Behavioral and emotional challenges
- Increased disciplinary actions and lower test scores at school
- Lower educational attainment
- Reduced economic mobility

**143,660** NEW MEXICO KIDS ARE FOOD INSECURE



That is roughly equivalent to every student in the Albuquerque, Las Cruces, Santa Fe, and Rio Rancho school districts – combined – not having enough reliable access to a sufficient amount of nutritious food

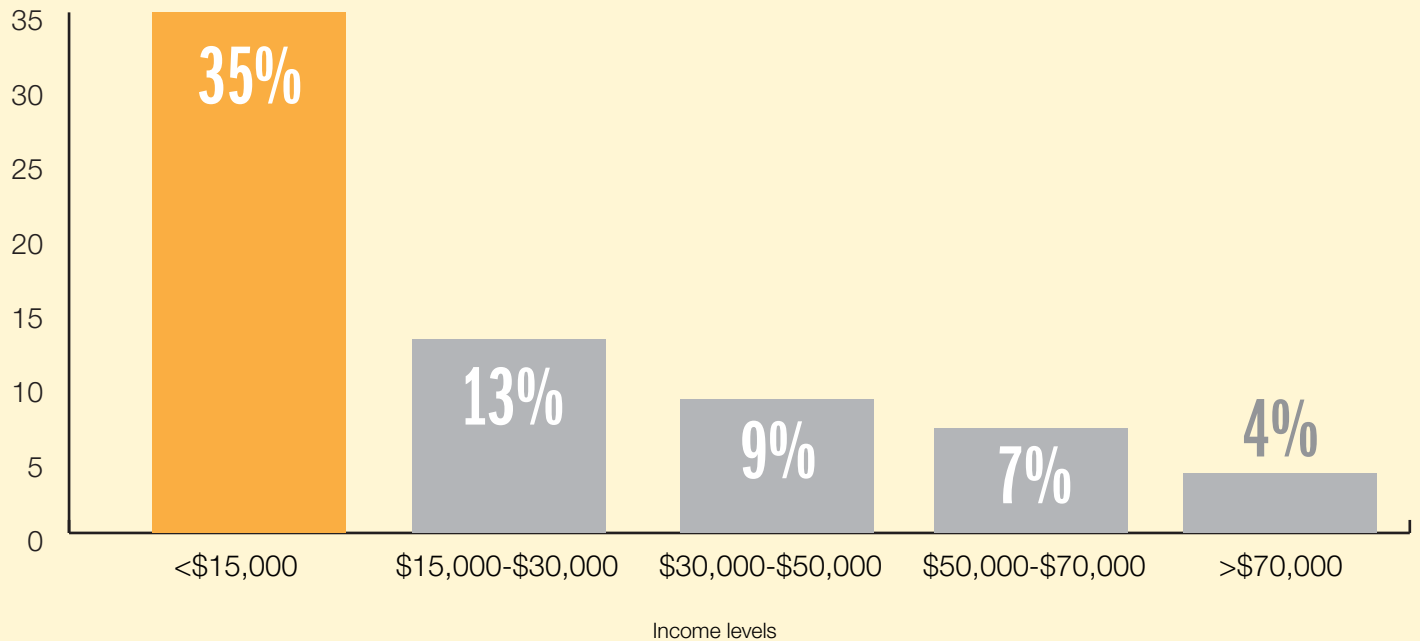
## NEW MEXICANS WITH LOW FOOD SECURITY MUST MAKE TRADEOFFS IN ORDER TO GET BY<sup>2</sup>



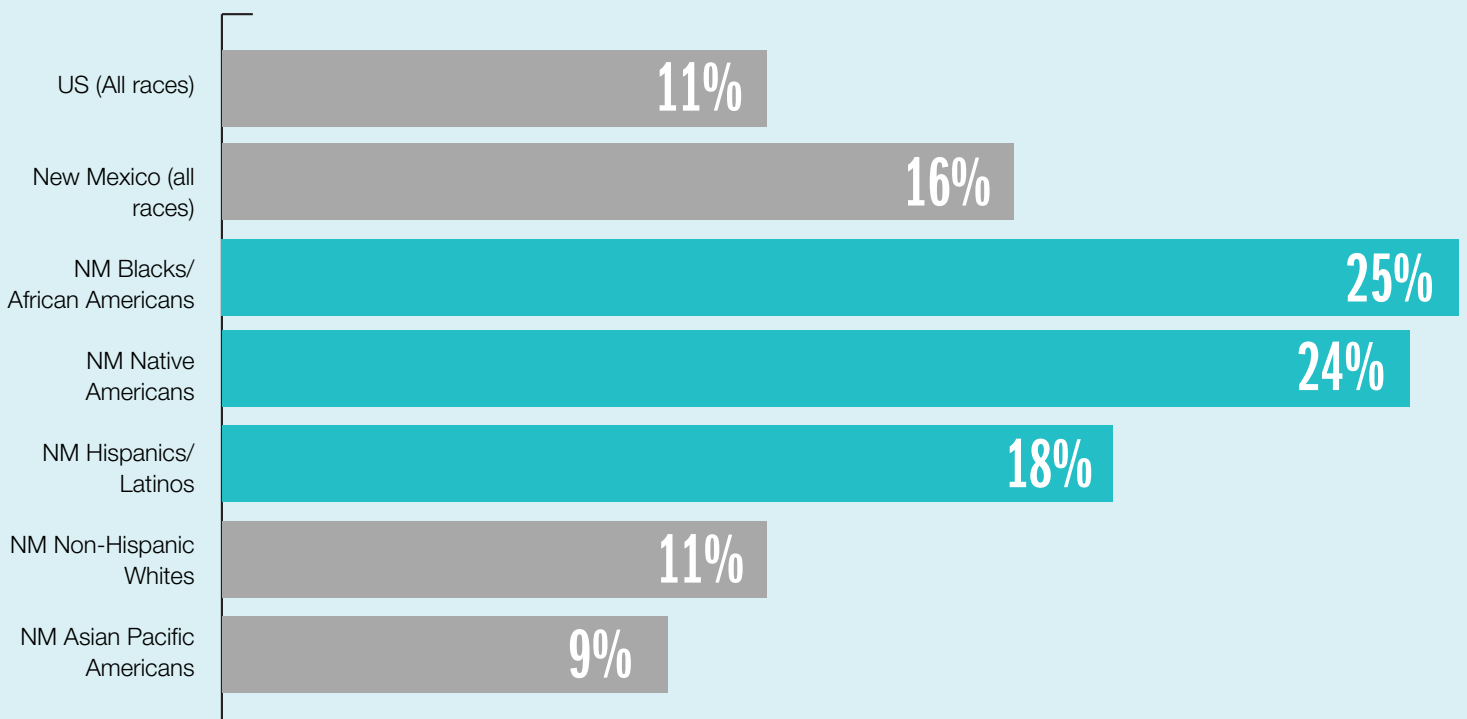
Percent of New Mexicans with low food security

# LOW WAGES AND POVERTY ARE LARGELY TO BLAME FOR FOOD INSECURITY IN NEW MEXICO

## FOOD EATS UP A THIRD OF THE BUDGET FOR FAMILIES EARNING LESS THAN \$15,000<sup>3</sup>



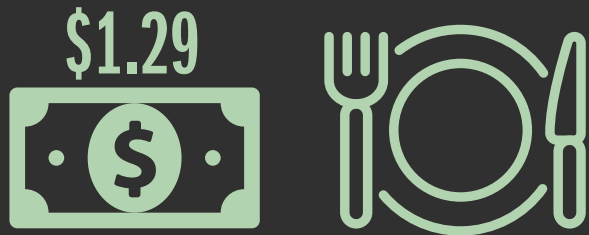
## BLACK, NATIVE, AND HISPANIC FAMILIES ARE MORE LIKELY TO EARN LESS THAN \$15,000 THAN ARE WHITE AND ASIAN FAMILIES<sup>4</sup>



Share of New Mexico households earning less than \$15,000

# SNAP BENEFITS ARE NOT ENOUGH TO FIX FOOD INSECURITY

**79% OF SNAP BENEFITS ARE USED UP WITHIN THE FIRST HALF OF THE MONTH<sup>5</sup>**



Average SNAP benefit per person per meal in New Mexico: \$1.29<sup>6</sup>

While SNAP helps tens of thousands of New Mexico families put food on the table, the benefits are not intended to replace a family's total food needs.



SNAP beneficiaries collectively spend hundreds of millions of their own money on food – which will become even more expensive if it is taxed

With the COVID-19 pandemic, New Mexico has seen a surge in families needing food assistance:

- SNAP enrollment increased by more than 10%<sup>7</sup>
- Food insecurity among all New Mexicans has almost doubled<sup>8</sup>

Many SNAP beneficiaries work in industries that have kept the state running during the current pandemic: 57% of New Mexico's SNAP recipients are considered essential workers<sup>9</sup>

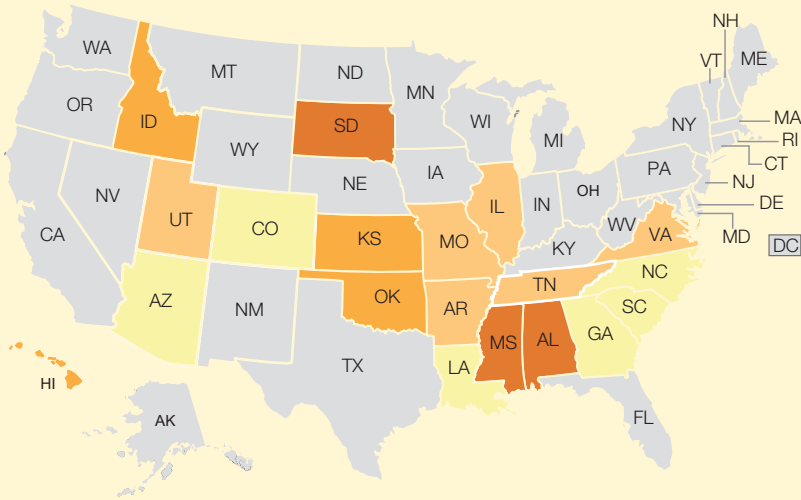
- 47,700 work in the service industry
- 10,000 are construction workers
- 5,800 work for manufacturers

The pandemic and economic downturn have also meant a big decline in state revenue from income and gross receipts taxes. As state policymakers look around for new sources of tax revenue, food is likely to be in the crosshairs.

**Despite our high rates of food insecurity and poverty, some lawmakers still want to tax food.**

# NEW MEXICO SHOULD NOT TAX FOOD

## MOST STATES CAN RAISE ENOUGH REVENUE WITHOUT TAXING FOOD<sup>10, 11</sup>

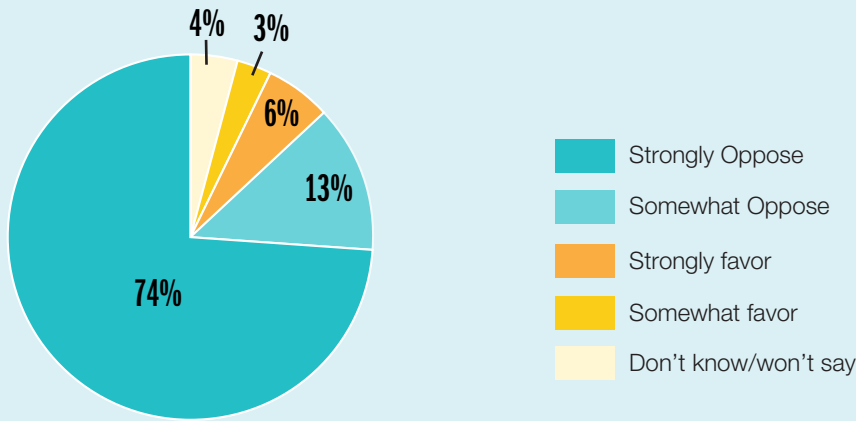


### Key:

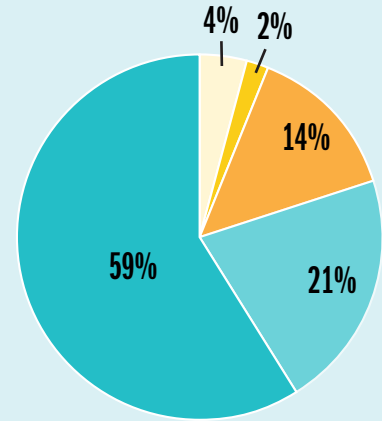
- Food is not taxed
- Food not taxed by the state but local governments may tax food
- Food is taxed, but at a lower rate
- Food is taxed at the regular rate, but tax credit provided to offset cost
- Food is taxed at the regular rate

## NEW MEXICANS STRONGLY OPPOSE A FOOD TAX<sup>12</sup>

Do you support or oppose charging a sales tax on food?



Do you support or oppose charging a sales tax on food but lowering the sales tax on other goods?



**Food is the most basic of human necessities. New Mexico's leaders should be fighting hunger, not making it worse by taxing food.**

1 "Think Babies" factsheet, Food and Research Action Center, 2020

2 NM Association of Food Banks Survey, and Map the Meal Gap, Feeding America, 2014

3 Consumer Expenditure Surveys, US Bureau of Labor Statistics, 2018

4 US Census Bureau, American Community Survey Data, 2018

5 "Benefit Redemption Patterns in SNAP," USDA, 2011

6 "Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2018," USDA, Office of Research and Analysis, 2018

7 Monthly Statistical Reports, New Mexico Human Services Department, April, 2020

8 "How Much Has Food Insecurity Risen? Evidence from the Census Household Pulse Survey," Institute for Policy Research, June 10, 2020

9 Center on Budget and Policy Priorities (CBPP) analysis of US Census Bureau, American Community Survey data, 2017

10 "State Sales Tax Rates and Food and Drug Exemptions," Federation of Tax Administrators, January 1, 2020

11 "States That Still Impose Sales Taxes on Groceries Should Consider Reducing or Eliminating Them," CBPP, April 1, 2002

12 Benenson Strategy Group poll of likely New Mexico Voters, Dec. 2018