



MEMORANDUM

Date: December 8, 2017

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Impact of a Possible Half-cent County General Sales Tax on Low-Income Households**

Attached is a memorandum transmitted to the Sales Tax Advisory Committee for their December 14, 2017 meeting, which will include discussion of the impact of a County sales tax on low-income residents. The Committee has met three times so far and held its first public hearing last night. The public hearings differ from the Committee's meetings in that they are dedicated to hearing from the public with regard to the questions of whether the County should adopt a sales tax, whether the sales tax should be for road repair and/or property tax reduction and whether the sales tax should be temporary or permanent. The second hearing will be held following the Committee's December 14th meeting.

CHH/dr

Attachment



MEMORANDUM

Date: December 8, 2017

To: Chair and Members
Sales Tax Advisory Committee

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: **December 14, 2017 Agenda Item Concerning the Impact of a Possible Sales Tax on Low-Income Households**

At the last Sales Tax Advisory Committee meeting there was a specific request to place this item on the agenda. Attached is a memorandum to facilitate the discussion. Yes sales taxes are regressive and will impact a larger share of income for lower income residents than higher income residents. But the memorandum shows that there are a number other factors that should be considered, including actions the County can take to mitigate or reduce the burden. These include:

1. Support for additional free tax return preparation assistance so that more low-income individuals and households can benefit from Arizona's income tax credit for increased sales taxes, which may completely offset the costs associated with proposed half-cent sales tax increase.
2. Allocating at least a portion of the sales tax revenues to pavement preservation and road repair, reducing to some extent vehicle maintenance costs for the majority of low-income households that do own cars, and consider whether income levels should be a factor in prioritizing which roads to repair first.
3. Allocate at least a portion of the sales tax to property tax reduction, which should benefit all households as visitors and outside businesses would then contribute to the cost county services that otherwise will continue to largely be funded by Pima County property taxpayers.

CHH/dr

Attachment

c: Jan Leshar, Chief Deputy County Administrator
Carmine DeBonis, Deputy County Administrator for Public Works
Tom Burke, Deputy County Administrator for Administration
Ana Olivares, Director, Transportation Department
Fyffe, Executive Assistant to the County Administrator
Michael Racy, Racy Associates, Inc.



MEMORANDUM

Date: December 8, 2017

To: C.H. Huckelberry
County Administrator

From: Nicole Fyffe,
Executive Assistant to the
County Administrator

Re: **Impact of a Possible County Half-cent General Sales Tax on Low-income Households**

I. Background

The two sales tax proposals discussed by the Sales Tax Advisory Committee so far include some substitution of property tax revenues with sales tax revenues. Supervisor Steve Christy's proposal would eliminate the new 25-cent property tax rate for road repair while adding a sales tax. The proposal provided in response to Committee Member Dennis Minano's request would similarly eliminate the new 25-cent property tax rate for road repair, but would also lower the primary property tax rate even further, substituting sales tax revenue over the long-term. Concerns have been expressed by Committee members about the impact a County sales tax may have on low-income residents and how this impact may be mitigated. The purpose of this memorandum is to provide information to the Committee as a way to begin discussing this topic at the December 14 meeting.

II. Research Shows Sales Taxes and Property Taxes are Regressive

Sales taxes are known for being regressive, meaning the impact on lower income households is greater than the impact on higher income households. Sales taxes are levied at a flat rate, and because taxable spending as a share of income falls as income rises, sales taxes take a larger share of income from lower income households in comparison to higher income households. Property taxes, on the other hand are based on the value of the home, with lower income households generally owning lower valued homes than higher income households. Research shows, however, that property taxes are also regressive, but less so than sales taxes. This is because the value of homes as a percent of income tend to decline at higher incomes. Renters also pay property taxes as landlords pass this cost on as part of the rent, and similarly, property taxes via rental charges represent a larger share of income for lower income families than for higher income families.

The U.S. Department of Labor's Bureau of Labor Statistics collects information on how much households of various income levels, across the nation, spend on various categories of goods and services.¹ Our Finance staff removed the goods and services that would be exempt from a

¹ Consumer Expenditure Survey 2016, U.S. Department of Labor, Bureau of Labor Statistics

county half-cent sales tax, and applied the sales tax to the expenses that would be taxable. In prior materials, we have reported that a household with the average income in Pima County of \$65,000, would pay approximately \$91 more a year (or \$7.58 a month) in sales taxes if the County levied a half-cent sales tax. Table 1 shows the annual tax burden at various income levels, which ranges from about \$37 a year (\$3 a month) for a household with an income of \$8,382, to \$204 a year (\$17 a month) for a household with an income of \$345,000. The table also shows that lower income households would spend a greater share of their income on the half-cent sales tax than higher income households (ranging from 0.44 percent to 0.06 percent of incomes).

Table 1
Estimated County Half-Cent General Sales Tax Cost and Percent of Income

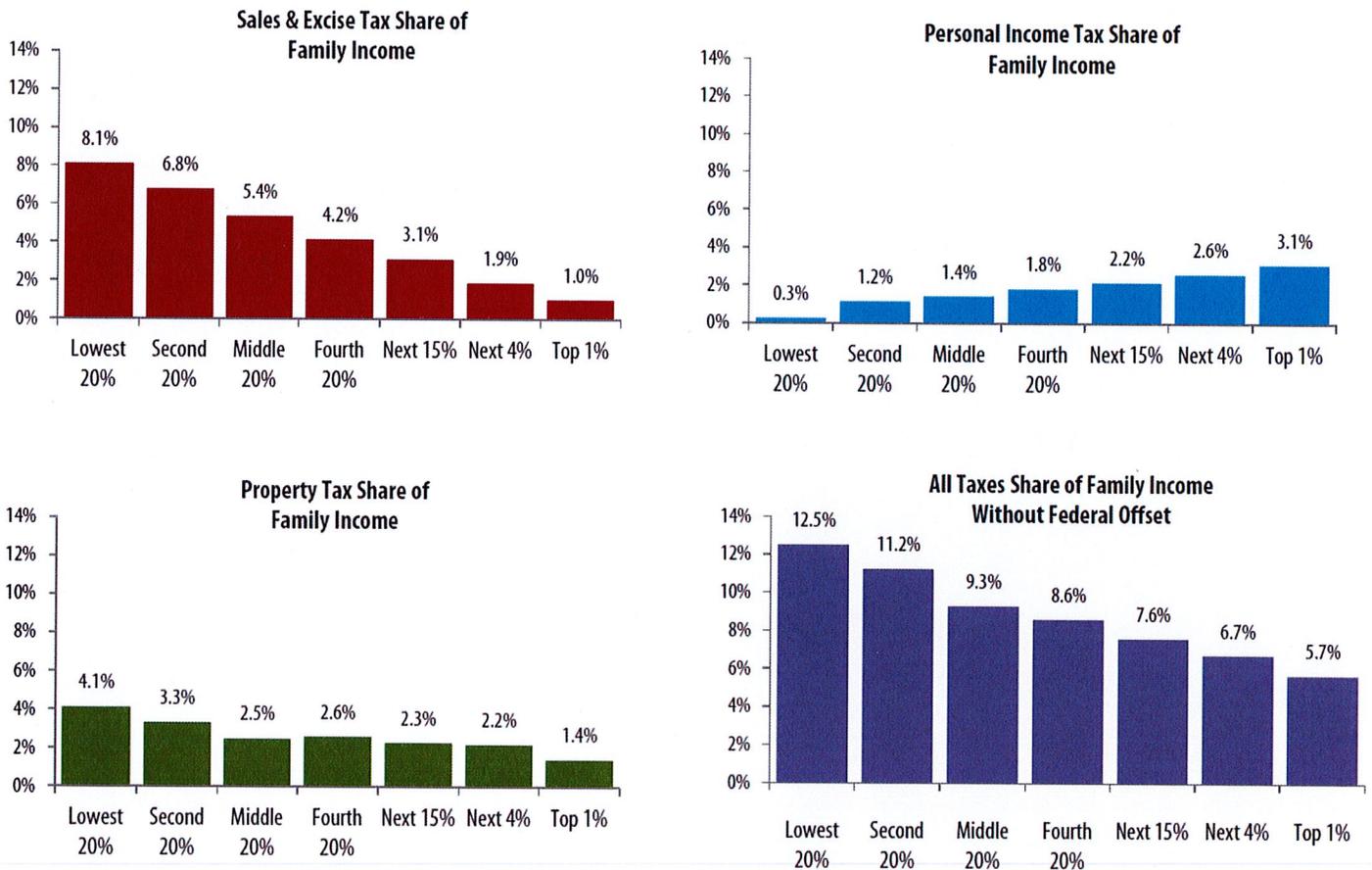
Income Before Taxes	Less than \$15,000	\$15,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 to \$99,999	\$100,000 to \$149,000	\$150,000 to \$199,999	\$200,000 and more
Avg. Income Before Taxes*	\$8,383	\$22,167	\$34,703	\$44,589	\$59,369	\$83,595	\$120,512	\$170,704	\$345,002
Avg. Annual Taxable Expenditures*	\$7,362	\$9,614	\$13,088	\$13,890	\$16,151	\$19,727	\$24,913	\$31,238	\$40,817
Sales Tax Rate	.005	.005	.005	.005	.005	.005	.005	.005	.005
Annual Cost of Half-cent Sales Tax	\$36.81	\$48.07	\$65.44	\$69.45	\$80.76	\$98.63	\$124.56	\$156.19	\$204.09
Annual Cost as % of Income	0.44%	0.22%	0.19%	0.16%	0.14%	0.12%	0.10%	0.09%	0.06%

*National level data from the Consumer Expenditure Survey 2016, U.S. Bureau of Labor Statistics

In 2015, the Institute of Taxation & Economic Policy authored a report titled "Who Pays?". The report focuses on the progressive/regressive nature of different types of taxes by state. Figure 1, copied from the report, shows Arizona state and local taxes in 2015 as a percent of family income for non-elderly taxpayers. Sales taxes and property taxes are shown as consuming a greater share of incomes for lower income families than higher income families, with sales taxes consuming about twice as much of incomes in comparison to property taxes for lower income families. Personal income taxes as a share of family income are shown to be the opposite – consuming a greater share of incomes for higher income families than lower income families. Combined, all three types of state and local taxes in Arizona are shown as consuming a larger share of incomes for lower income families than higher income families. It is important to note when comparing the sales tax and property tax graphs that some cities and towns in Arizona tax unprepared food and rent, whereas counties cannot. The City of South Tucson taxes these items. The fact that some Arizona cities and towns do tax these items, factors into the amount by which Arizona sales taxes are shown to impact low income families in comparison to property taxes. In other words, the difference in the impact between a Pima County sales tax

compared to a property tax, would not be quite as great because county sales taxes cannot apply to unprepared food and rent.

Figure 1
Arizona State and Local Taxes in 2015 as a percent of family income for non-elderly taxpayers



III. Additional Considerations

A. Arizona Income Tax Credit for Increased Excise (Sales) Taxes

This income tax credit was approved by voters in 2000. Individuals or married couples filing separately with adjusted gross incomes of \$12,500 or less, and single heads of households or married couples filing jointly with adjusted gross incomes of \$25,000 or less, are eligible for

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this tax credit.² The tax credit equates to \$25 per person, with a maximum credit of \$100 for a household of four or more. If the credit exceeds the taxpayer's income tax liability, the tax payer is entitled to it just like a tax refund.

In Table 1 it is estimated that a County half-cent sales tax would cost a household with an income of \$22,167, \$48 a year. If at least two people are in that household, they should be eligible for a \$50 tax credit. For Tax Year 2015, the Arizona Department of Revenue reports 620,579 taxpayers claimed this credit, totaling credits of \$30.8 million.³ However, we don't know how many of these taxpayers reside in Pima County. The County currently provides funding, through the United Way, for free tax preparation assistance to low to moderate income individuals. The County's support for this effort could be expanded to increase the amount of low-income eligible households in Pima County that file income tax returns and take this credit.

B. Benefits to low-income households from public services or public infrastructure improvements that would be funded by sales tax revenues

Consideration should be given to the types of public services or improvements that will be funded with sales tax revenue and the benefits of such services or improvements to low-income households. So far, the proposals before the Committee have been for road repair and property tax reduction.

Road Repair

Approximately 70 percent of roads in the City of Tucson and unincorporated Pima County are rated in poor or failing condition. It is estimated that poor pavement conditions are costing Tucson drivers \$542 a year in increased maintenance costs, vehicle deterioration and fuel consumption (TRIPnet.org 2016). Pima Associations of Governments (PAG) analyzed data on car ownership by income level for households in Pima County.⁴ Table 2 shows that 65 percent of households with incomes lower than \$10,000 own or lease a car. This number increases to 75 percent for those with incomes from \$10,000 to \$15,000, and to 85 percent for those with incomes between \$15,000 and \$25,000. This shows if sales tax revenues were spent on fixing roads, that the majority of lower-income households would benefit to some extent from the reduced vehicle wear and tear, maintenance costs and added fuel costs caused by poor road conditions.

The Bureau of Labor Statistics also collects information on the amount households spend on vehicle maintenance and repairs, across income levels.⁵ Lower-income households spend substantially less on vehicle maintenance and repairs than higher-income households. This may not reflect the level of maintenance and repairs that is actually necessary, but instead maybe a result of the financial ability to fund such expenses. The extent to which lower-income households save on vehicle maintenance and repair costs as a result of improved road conditions may be less than the extent to which higher income households benefit.

² ARS 43-1072.01

³ Arizona Department of Revenue Annual Report Fiscal Year 2017, Table 29
www.azdor.gov/FY17annualreport/assets/fy2017annualreport.pdf

⁴ The Public Use Microdata Sample (PUMS) from American Community Survey (ACS) 2016

⁵ Consumer Expenditure Survey 2016, U.S. Department of Labor, Bureau of Labor Statistics

Table 2
Vehicle Availability in Pima County by Household Income Level

Household Income	Percent Own/Lease at least 1 Vehicle
Less than \$10,000	65%
\$10,000- \$14,999	75%
\$15,000-\$24,999	85%
\$25,000-\$34,999	95%
\$35,000-\$49,999	96%
\$50,000-\$74,999	99%
\$75,000-\$99,999	99%
\$100,000 -\$149,999	99%
\$150,000 or more	97%

For those that do not own a car and rely on the public bus system or other transit services that drive on road surfaces, better road conditions should result in lower costs associated with maintenance of buses, deterioration and fuel consumption. PAG also provided assistance in searching for studies related to road pavement conditions and transit costs. One staffer concluded that increased operational costs related to poor road pavement conditions could be transferred to transit customers (the majority who are low-income) with increases in fares, but also stated that fare cost recovery for most transit systems is 20-30 percent at best. With this in mind, it is probably a reach to say that the savings from improving road conditions would actually make it back to bus riders, but there should be some type of savings to the transit system overall.

It is also worth noting that if the County adopted a sales tax and allocated enough to road repair regionally to really address the issue, then when the Regional Transportation Authority (RTA) develops a plan for the next 20-years of transportation investments, there will be little need to include funding road maintenance, leaving more resources available for investing in expanded transit services – a benefit to low-income transit riders.

The Committee receives feedback from the public in a variety of ways. One individual submitted a feedback form electronically, suggesting that one way to mitigate the impact of a sales tax on low-income residents would be to fix roads in low-income areas first. Most recently, the County's Transportation Advisory Committee recommended a prioritization approach that focuses on high traffic roads rated in poor condition (specifically a PASER 5 rating). Data certainly exists to add household income into the analysis as an additional way to prioritize which roads are to be fixed first.

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Services Currently Funded Largely with Property Taxes

Pima County funds many operational services and programs across various departments that are used by low-income residents. These programs include the Community Action Agency that assists about 6,000 households annually through utility and rental/mortgage payment assistance, medical prescription and supply costs, food needs, and other support services; the Pima County One-Stop that offers employment and training services to under-resources persons; the Health Department, which provides nutrition assistance, nurse home visitations, access to clinical services, health insurance support, coordinated school health programming and chronic disease self-management; and Public Works that provides subsidized employment opportunities and a discount program for utility customers. Most of these programs and services are funded by the County's General Fund, which is largely funded by property taxes. For Fiscal Year 2017/18, 59 percent of the General Fund, or \$342 million is funded by property tax revenues and 20 percent (\$115 million) by state shared sales taxes. Substituting revenue from a new county sales tax for a portion of the property tax, would obviously increase the share of sales tax funding for these types of services and programs. But if the expenditures for these programs remains largely unchanged, then there is no mitigation or offset for the fact that low income households will be impacted to a greater extent by more sales taxes than higher income households.

Other Services

During Board of Supervisors' meetings, comments have been made about whether a portion of the sales tax revenue should be allocated to expand transit services and/or health and human services. Neither of these is evaluated in this memorandum as specific proposals have not been provided.

- C. In Arizona, homeowners receive a subsidy from the State that directly reduces their property taxes, but residential rental properties are not eligible for this subsidy

At the Committee's first meeting, Mr. Steve Huffman, Government Affairs Director for Tucson Association of Realtors, spoke during call to the audience. He stated that Pima County's exclusive reliance on property taxes disproportionately impacts low-income residents because residential rental properties, as opposed to home-owner occupied residences, do not receive the Base State Aid to Education subsidy that directly reduces homeowner's property taxes. For Tax Year 2017, the average Base State Aid is \$276, with the maximum not to exceed \$600. The value of the home and the school district impact the actual amount of this subsidy. Take two equally valued homes in the same school district. For the home that is owner-occupied, the property taxes for 2017 will be, on average, \$267 less than the property tax for the home that is rented.

If Pima County adopted a sales tax and allocated a portion of the revenues from that sales tax to reducing property taxes, property taxes for both homeowners and those that own residential rental properties would be reduced. The extent to which landlords would pass those property tax savings on to their renters, or how soon, is unknown and would involve a number of factors.

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Residential renters used to be able to file for a property tax credit against their Arizona income taxes, but that credit is now only available to a very limited number of low-income individuals. To be eligible, you must be 65 or older, or receiving SSI Title 16 Income, and have an adjusted gross income of less than \$3,751 if you live alone, or \$5,501 if others live in your household.⁶ The maximum credit is \$502 at an adjusted gross income of zero, and the credit decreased as income increases. Eligible renters must have their landlord complete a tax form showing how much of their rent went to property taxes for that tax year.

D. Adopting a sales tax would expand the number of people that contribute to the cost of County services, as opposed to largely burdening property taxpayers

Low-income households, whether they are homeowners or renters, are paying some amount of property taxes to fund county services. Some County services, like our parks and recreational facilities, are enjoyed by visitors to Pima County who currently do not contribute to the funding of those facilities. It is estimated that upwards of 17 percent of sales tax revenues would be paid by visitors and non-residents. This includes tourists and Mexican visitor spending.

E. Reducing the stigma of being a high property tax county could benefit low-income households

Leading up to the County's 2015 bond election, one of the main arguments against approving additional general obligation bonds for capital improvements was that the County already has the highest property tax rate in the State. Several of the proposed bond projects would have benefited lower income households in particular (i.e. Neighborhood Reinvestment and Affordable Housing projects, new facilities for Pima County One Stop and Job Path, new and expanded libraries, two health clinics, and a food bank). By reducing the property tax rate, some voters may be more willing to approve additional property taxes to fund debt on bonds for facilities that specifically benefit low-income households.

Furthermore, the State's effort in 2015 to penalize Pima County because of our high property tax rates with a new requirement for Pima County to pay the one percent Additional State Aid to Education that the State previously paid for 35 years, is a sign of how this perception can cost the County and taxpayers. Although the County ultimately prevailed against this legislation in court, the image of being a high property tax county could continue to invite punitive actions by the State that cost the County and ultimately all taxpayers.

F. Contract awards to small businesses

The issue of whether preferences could be made when awarding road repair contracts to minority or women-owned businesses, was raised by one of the Committee members. While such preferences are no longer permitted, Pima County does have a Small Business Enterprise Program (SBE). The purpose of the County's SBE program is to increase job opportunities at the local level by encouraging contracting with local small businesses. More information about the program and how it would be implemented in relation to road repair contracts, can be found in the November 7, 2017 memorandum to the Committee.

⁶ Arizona Individual Income Tax Credits, Line 56 Property Tax Credit

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G. If adopted, a half-cent sales tax would be a fraction of the County's overall revenues and of the overall sale tax rate

It is worth noting that a half-cent sales tax generating an estimated \$80 million a year, would equate to about six percent of the County's total budget this Fiscal Year. In addition, the County's sales tax would be a fraction of the total sales taxes levied by the State, the Regional Transportation Authority (RTA) and cities and towns in Pima County. Sales taxes (State and RTA combined) for unincorporated areas currently equal 6.1 percent (5.6 percent State, 0.5 percent RTA). Retail sales taxes in cities and towns currently include an additional 2 percent in Sahuarita, 2.5 percent in Marana and Oro Valley, 2.6 percent in the City of Tucson and 4.5 percent in South Tucson. In total, sales taxes on retail items within Pima County currently range from 6.1 percent in the unincorporated areas, to 10.6 percent in South Tucson.

H. Food-Insecurity in Pima County

Committee Vice-Chair Michael McDonald, who is also CEO for the Community Food Bank of Southern Arizona, provided the attached report on Food-Insecurity in Pima County for the Committee's consideration. The report was prepared in 2016 for Pima County's Outside Agency Committee. Food-insecurity is defined as the U.S. Department of Agriculture's measure of lack of access, at times, to enough food for an active, healthy life for all household members, and limited or uncertain availability of nutritionally adequate foods. According to this report, there are 155,940 food-insecure individuals in Pima County, or 15.8 percent of the total population, which is close to the County's poverty rate.

Summary

The purpose of this memorandum is to assist the Committee in starting its discussion concerning the impact of a County half-cent sales tax on low-income households. Additional research can be undertaken upon request.

NF/dr

Attachment

Food-Insecurity in Pima County

- Pima County resident hunger-relief and food-security needs:
 - There are 155,940 food-insecure¹ individuals in Pima County (15.8% of the total population, which is close to the County's current poverty rate).
 - 58,210 of these food-insecure individuals are children (such that the County's child food-insecurity rate is 26.1%). AZ has the nation's 6th highest child food-insecurity rate, and southern AZ's rate is higher than the state's overall rate.
 - The estimated annual "meal-gap" (i.e. missing meals from the tables of food-insecure individuals) is ~27.4m meals per annum. 58% of that gap is being closed through the collective charitable efforts of the Feeding Pima County Collaborative and our network of agency partners. See more details below in the Scope of Services section of this Report.
 - 19% of Pima County residents utilize SNAP, but this is only 71% of the population who is eligible for this federal assistance, which for over 50 years has proven to be an effective, low-fraud, safety-net coping strategy for low-income, working households. Average SNAP benefits in Arizona amount to \$1.32 per meal in subsidy. Unfortunately the Governor and the Arizona State Legislature are implementing legislation this spring to further restrict access or eligibility to a sizeable number of current participants in these federal benefits (including out-of-work adults). The loss of these benefits could affect up to 10,000 people in Pima County.
 - Median household income in the geographically widespread census tracts where the majority of food-insecure households are located is \$25,130, or 45% below Pima County's overall household median income of \$45,841. Food-insecurity is a consequence of insufficient income & assets, as well as other poverty-related stressors such as chronic medical conditions. National and local research correlates that as poverty, unemployment, and under-employment increase and homeownership decreases and medical costs rise, food-insecurity increases.
 - Through a network of some 200 nonprofit and faith-community facilities (including the agencies in the Feeding Pima County Collaborative, hereafter the "Collaborative"), 146,168 unduplicated individuals in Pima County seeking hunger-relief are served annually, including 14,125 individuals seeking food-security self-sufficiency services (e.g. food-related education that addresses root-causes). These individuals represent 51,722 households.
 - ~8,000 households in Pima County are in persistent need of hunger-relief. These are very low-income households and/or households that have experienced significant financial and/or health-related collapses.
 - ~16,000 households have suffered job losses and/or experienced gaps in their household income that necessitate safety-net services (including hunger-relief) for a third to two-thirds of a year. 24,000 households have experienced 1-3 months of self-sufficiency & resiliency stress (often due to job loss or health conditions) and require temporary emergency assistance and then are back on their feet again.
 - Through annual surveying from third-party researchers, our network of clients report the following:
 - 62% are Latino, 18% White, 11% multiracial.
 - 75% are experiencing insufficient income due to under-employment, periodic bouts of unemployment, or persistent unemployment.
 - 72% report one or more chronic, diet-related health conditions

Food-Insecurity in Pima County

- 53% report the need for temporary rent, mortgage, and/or utility assistance
 - 33% are senior-only households
 - 25% of households are headed by grandparents raising grandchildren
 - 10% of households are headed by single mothers with children
 - 3% of the total people served report themselves as being chronically homeless
 - Currently, insufficient local data is collected on the rate of veteran household food security, but the latest national data indicates that the rate of food-insecurity is virtually identical to that of the non-veteran population.
 - Currently, insufficient local data is collected on the rate of food-insecurity in households with an adult who has a work-preventing disability. Nationally, longitudinal research has found that 33% of unemployed households have such an adult.
- Scope of services:

Not counting public school districts' provision of free or reduced breakfast, lunch, after-school, and/or summer program meals or snacks for children (where & when those are available), the Collaborative's network of facilities provide these services in Pima County:

 - Hunger-relief, 96% of which is provided in the form of raw foodstuffs (the equivalent of ~15.2m meals per annum), with the other 4% in the form of prepared meals (~600,000 meals per annum). 91% of the Collaborative's network clients seek these services. This means that in the last year, ~101 meals per person in need were provided by the charitable network in Pima County, ranking us in the top-quartile of charitable hunger-relief networks in the U.S. Unfortunately that 101 meals per person in need represents only 9% of a person's annual meal needs. So clearly, our collective charitable hunger-relief and food-security efforts are merely a small band-aid in a food-insecure household's overall food-provision and coping strategies.
 - ~10% of clients seek food-security or self-sufficiency services beyond hunger-relief, including nutrition education for healthy food choices and diet-related disease management, household or community food production, food preparation, food-related job development, and food entrepreneurship. Forty years of food banking and hunger-relief nationwide and locally in southern Arizona shows that we're not feeding our way out of food-insecurity or poverty. So while clearly hunger-relief is still very much needed as a coping strategy for thousands of vulnerable households in Pima County, increasingly the trend is to provide these households tools and interventions that help to "feed" their economic opportunity, where feasible, through the power of food to grow household budgets.
 - 139,227 Pima County low-income residents live in "food deserts" (for urban residents this means that a grocery store is > 1 mile from the residence; for rural residents > 10 miles). The Collaborative's facilities and primary services are located in these food deserts.

Food-Insecurity in Pima County

- Most services are provided Mondays through Saturdays within the Collaborative's network, with some homeless soup patrol services provided by a handful of faith communities on Sundays.
- Assessment efforts to capture the benefits & outcomes of these services (to clients & the community):
 - Annual qualitative surveying, including the use of the USDA's food-security measure
 - Every two years, participation in the national Hunger in America quantitative and qualitative study
 - Every dollar invested in reducing food-insecurity provides an estimated economic benefit of \$33.27 (including economic stimulus in GDP & jobs, improved health outcomes, lower health costs, improved educational outcomes, and lower social cost and lost earnings related to under-educated population).
 - Each agency in the Feeding Pima County Collaborative tracks key mission & operational data, including such metrics as the provision of "healthy foods to encourage", such as servings of locally grown produce; job placement & retention rate for culinary arts program graduates; improved trends of food-insecurity; etc.
- Sources, trends, and risks in funding vis-à-vis trends in need (including client and agency barriers to accessing resources):
 - The annual hunger gap in Pima County is ~27.4m meals, and the Collaborative's network currently provides ~15.8m meals' worth of food annually (or 58% of the need) at a collective economic value or cost of ~\$42m.
 - While %s vary from agency to agency, collectively, nonprofit or charitable hunger-relief & food-security sector funding sources include:
 - 95% from charitable contributions, with 78% in donated food from national grocery retailers that have a partner with the Feeding America national hunger-relief network and its local members like the Community Food Bank and its Collaborative partners; 15% in cash from individuals, and the cash balance of 7% from business & faith-communities combined.
 - 4% from government funders, including ~\$840k +/- in annual support from Pima County Outside Agency funding.
 - The remaining 1% in funding comes from the nonprofit sector's earned revenue strategies.
 - To close the hunger gap (or the annual household food budget shortfall) in Pima County, above and beyond the current collective impact of the Feeding Pima County Collaborative and its agency partner network, an additional ~11.6m meals (at the annual estimated value or cost of ~\$31m) is needed.

Food-Insecurity in Pima County

- What key gaps exist?
 - Child hunger & food-insecurity (58,210 children in Pima County)
 - Although food insecurity is harmful to any individual, food insecurity is particularly devastating among children, due to their increased vulnerability and the potential for long-term consequences. A number of studies have demonstrated that food insecurity impacts cognitive development among young children and is linked to poorer school performance. Other data show the health consequences of food insecurity among, including increased illness and higher associated health costs.
 - Seniors' food-insecurity. (~26,510 seniors in Pima County, or ~ 1/3 of the County's senior population)
 - Given the waves of retirees and our aging population, there will be an increasing need for mobile food pantries and prepared meal deliveries to home-bound seniors in food-deserts. Among U.S. states, Arizona ranks 11th highest in the rate of senior food-insecurity. Only 4% of the hunger-relief meals provided in Pima County are delivered to home-bound seniors.
- Other hunger-relief and food-security experts in our community:
 - For child-hunger: Public school districts in Pima County, including Tucson Unified School District, Sunnyside School District, and Flowing Wells School District, among other
 - For senior hunger: Pima Council on Aging and their agency network
 - For other significantly under-resourced, vulnerable populations: Tribal governments, including the Tohono O'odham Nation and the Pascua Yaqui Tribe

Primary sources for this report:

USDA's Economic Research Service division

Federal Reserve of San Francisco

Feeding America's Map the Meal Gap national database

Arizona Department of Economic Security

Bureau of Applied Research in Anthropology, University of Arizona

Members of the Feeding Pima County Collaborative and their agency databases

¹Food insecurity refers to the USDA's measure of lack of access, at times, to enough food for an active, healthy life for all household members, and limited or uncertain availability of nutritionally adequate foods.