

Appendix C. USDA's Thrifty Food Plan

The Thrifty Food Plan—developed by USDA—serves as a national standard for a nutritious diet at low cost. It represents a set of “market baskets” of food that people of specific age and gender could consume at home to maintain a healthful diet that meets current dietary standards, taking into account the food consumption patterns of U.S. households. The cost of the meal plan for each age/gender category is calculated based on average national food prices adjusted for inflation.³⁵

The cost of the market basket for a household is further adjusted by household size to account for economies of scale. The cost of the Thrifty Food Plan is used in this report to adjust household spending on food so that spending can be compared meaningfully among households of different sizes and age-gender compositions. It provides a baseline that takes into account differences in households' calorie and nutrient requirements due to these differences in household composition. This appendix provides background information on the Thrifty Food Plan and details of how it is calculated for each household.

In 1961, USDA developed four cost-specific, nutritionally balanced food plans: Economy, Low-cost, Moderate-cost, and Liberal. The food plans were developed by studying the food-purchasing patterns of households in the United States and modifying these choices by the least amount necessary to meet nutritional guidelines at specific cost objectives. The Economy Food Plan and the Thrifty Food Plan that replaced it at the same designated cost level in 1975 have been used for a number of important policy and statistical purposes over the years. In the 1960s, a low-income threshold based on the Economy Food Plan was adopted as the official poverty threshold of the United States (Citro and Michael, 1995, p. 110). The cost of the Thrifty Food Plan is used by USDA's Food and Nutrition Service as a basis for determining families' maximum food stamp allotments.³⁶

The Thrifty Food Plan was last revised by USDA's Center for Nutrition Policy and Promotion (CNPP) in 1999. This was done to reflect updated dietary recommendations and food composition data and current food prices and consumption patterns, while maintaining the cost at the level of the previous market baskets (USDA, 1999). CNPP updates the cost of each of USDA's four food plans monthly to reflect changes in food prices, as measured by the Consumer Price Index for specific food categories. Table C-1 lists estimated weekly costs of the four USDA food plans for the month of December 2005—the month the 2005 CPS food security survey was conducted.

The cost of the Thrifty Food Plan was calculated for each household in the food security survey, based on the information in table C-1, and was used as a baseline for comparing food expenditures across different types of households.³⁷ The food plan costs in table C-1 are given for individuals in the context of four-person families. For households that are larger or smaller than four persons, the costs must be adjusted for economies of scale, as specified in the first footnote of table C-1. For example, the weekly Thrifty Food Plan cost for a household composed of a married couple with no children, ages 29

³⁵The costs of the Thrifty Food Plan for residents of Alaska and Hawaii are calculated based on State food prices rather than average national food prices.

³⁶The Thrifty Food Plan was revised several times over the years (with major changes in 1983 and 1999) in order to take into account new information about nutritional needs, nutritional values of foods, food consumption preferences, and food prices (Kerr et al., 1984; USDA, 1999). In these revisions, USDA gave attention both to cost containment—keeping the cost of the Thrifty Food Plan near the food stamp benefit level—and to the buying patterns of households (Citro and Michael, 1995, p. 111).

³⁷For residents in Alaska and Hawaii, the Thrifty Food Plan costs were adjusted upward by 14.6 percent and 43.7 percent, respectively, to reflect the higher cost of the Thrifty Food Plan in those States.

Table C-1

Weekly cost of USDA food plans: cost of food at home at four levels, December 2005

Age-gender group ¹	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan
<i>Dollars</i>				
Child:				
1 year ²	18.10	22.80	26.60	32.20
2 years	18.10	22.50	26.90	32.40
3-5 years	19.90	24.70	30.50	36.80
6-8 years	25.10	33.30	41.10	48.00
9-11 years	29.40	37.40	48.00	55.80
Male:				
12-14 years	30.60	42.30	52.30	61.90
15-19 years	31.70	43.70	54.50	63.40
20-50 years	33.90	43.60	54.40	66.50
51 years and over	30.90	41.60	51.30	61.70
Female:				
12-19 years	30.50	36.70	44.50	53.70
20-50 years	30.60	38.00	46.50	60.00
51 years and over	30.20	37.00	46.10	55.40
Examples of families				
1. Couple: 20-50 years	70.90	89.80	111.00	139.10
2. Couple, 20-50 years, with 2 children ages 2 and 3-5 years	102.50	128.80	158.30	195.60

¹The costs given are for individuals in 4-person families. For individuals in other-size families, the following adjustments are suggested: 1-person, add 20 percent; 2-person, add 10 percent; 3-person, add 5 percent; 5- or 6-person, subtract 5 percent; 7- (or more) person, subtract 10 percent.

²USDA does not have official food plan cost estimates for children less than 1-year old. Since the Thrifty Food Plan identifies the most economical sources of food, in this analysis we assume a food plan based on breastfeeding. We arbitrarily set the cost of feeding a child under 1-year old at half the cost of feeding a 1-year old child, in order to account for the added food intake of mothers and other costs associated with breastfeeding. While this estimate is rather arbitrary, it affects only 2.5 percent of households in our analysis.

Source: USDA, Center for Nutrition Policy and Promotion, <http://www.usda.gov/cnpp/FoodPlans/Updates/fooddec05.pdf>.

(husband) and 30 (wife), is given by adding the individual Thrifty Food Plan costs for the husband (\$33.90) and wife (\$30.60) and adjusting the total upward by 10 percent. The adjusted total (\$70.90) represents the cost of the Thrifty Food Plan for this type of household.