The WIC Program Meets a Special Need

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The Special Supplemental Food Program for Women, Infants, and Children (WIC) provides food assistance to low-income women, infants, and children who are nutritionally or medically at risk. Launched in 1974, WIC provides supplemental food, nutrition education, and access to health services.

Support for WIC has grown along with increasing evidence that the program's benefits to public health exceed its costs. For example, WIC's share of food assistance expenditures grew to 8 percent in 1991 from 5 percent in 1980. Average monthly participation in 1991 was over 250 percent higher than in 1980 (table 1).

Lower Health Care Costs

Although all Federal food assistance programs promote improved nutrition as an objective, only WIC requires an assessment of the recipient's nutritional status by a health professional. WIC serves pregnant, breastfeeding, and postpartum women and their infants and children up to age 5 whose household income is at or below 185 percent of the poverty level. In addition to nutrition and health care counsel-

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How WIC Works

The Special Supplemental Food Program for Women, Infants, and Children (WIC) operates like a State grant, with annual funding from the Federal Government based on a formula rather than solely on the number of participants.

WIC operates at all three levels of government: Federal, State, and local. At the Federal level, USDA's Food and Nutrition Service (FNS) administers and regulates the program. Seven regional FNS offices provide cash grants to 86 designated WIC State agencies for administration and operation. The regional offices monitor State agencies for compliance with regulations and assist in program improvement. State agencies then allocate the funds to participating local WIC agencies in their jurisdiction, and establish, monitor, and report local WIC agency activities to FNS. Local WIC agencies recruit participants and deliver program services.

There are approximately 1,750 local WIC agencies, with 8,200 delivery sites where monthly food packages or vouchers are dispensed to participants. While city or county health departments often serve as the local agencies, they may also be public or nonprofit health or human-service organizations, such as hospitals, maternal and child health groups, or community action agencies. Local agencies use WIC funds to provide monthly food packages or vouchers to participants and cover administrative costs, including the costs of certifying applicants for eligibility and providing nutrition education, counseling, and referrals to local health and social services.

To qualify for WIC benefits, an applicant must meet three specific eligibility criteria: categorical, income, and nutritional risk. Requirements for the categorically eligible include: pregnant, breastfeeding, and postpartum women, infants under 1 year, and children up to 5 years old.

The income limit for eligibility is set by each State agency, but must meet Federal requirements—not to exceed 185 percent, or be less than 100 percent, of the Office of Management and Budget's poverty income guidelines for each family size. Additionally, Federal law requires that people receiving food stamps, medicaid, or Aid to Families With Dependent Children be considered automatically income-eligible for the WIC program.

All but a few States have set their WIC eligibility standard at 185 percent of the poverty guidelines. According to this standard, a person from a household of four with $24,790 in total annual income as of July 1991 would be income-eligible for WIC. Some States give local agencies discretion in setting lower income-eligibility criteria.

WIC applicants who meet the categorical and income requirements are certified for program participation only if they also are determined by a competent professional authority to be nutritionally at risk. This determination is made on the basis of established medical, clinical, or dietary risk criteria set by each State.

ing, participants receive vouchers for a monthly allotment of food, such as infant formula, eggs, fruit juice, milk, cheese, and cereal.

By combining nutrition and health education with food vouchers, WIC plays an important role in reducing infant mortality and lowering health care costs. A 1984 study found the birth weights of infants born to women participating in WIC to be higher than those who did not participate. The study also concluded that participating women and their children were more likely to be healthy during and immediately after pregnancy.

A WIC/Medicaid study confirmed these findings. This study also found that WIC participation during pregnancy reduced medical costs for both mother and infant. Every dollar spent on a pregnant woman's participation in WIC saved between $1.77 and $3.13 in Medicaid costs.

The Greatest Good for the Least Cost

WIC uses a priority system to target limited resources to those with the greatest nutritional need. That is, as local WIC agencies approach budgetary ceilings, eligible pregnant women and infants with nutritional risk receive priority for enrollment.

State WIC agencies have expanded the numbers served by reducing the cost of infant formula. In 1991, about a third of all WIC participants were infants. And, expenditures for infant formula for these babies (under 12 months) accounted for about 25 percent of the total WIC food costs. That compares with 27 percent for infants and 28 percent of costs in 1981.

During the early 1980's, the price of formula rose much faster

Table 1
After Moderating Food Costs and Stabilizing Benefits, WIC Reaches More Needy

Year	Participation			Costs		Average monthly benefits per person
	Women	Infants	Children	Food	Total	
	Thousands			*Million dollars*		*Dollars*
1980	411	506	995	584	728	25.43
1981	445	585	1,088	708	871	27.84
1982	478	623	1,088	758	948	28.83
1983	542	730	1,265	901	1,126	29.62
1984	657	825	1,563	1,117	1,388	30.58
1985	665	874	1,600	1,193	1,489	31.69
1986	712	945	1,655	1,264	1,583	31.82
1987	751	1,019	1,660	1,345	1,680	32.68
1988	815	1,095	1,683	1,435	1,797	33.28
1989	952	1,260	1,907	1,489	1,911	30.14
1990	1,035	1,412	2,069	1,637	2,123	30.20
1991	1,120	1,559	2,214	1,752	2,301	29.84

than prices for other foods. As a consequence, States began looking for ways to cut costs and increase enrollment. In 1988, WIC agencies initiated rebate programs with manufacturers for infant formula. The major formula producers granted rebates on infant formula purchased by WIC participants in return for sales contracts with the State. By the end of the 1980's, most States had signed such contracts, with price reductions of as much as 70 percent of retail.

The price reductions successfully lowered costs, allowing more people to receive benefits. For example, in 1989, participation increased almost 15 percent, the consumer price index (CPI) for food rose by 8 percent, and the shelf price of the average WIC food package rose by 6 percent (table 1). Reduced WIC costs were reflected in average monthly food package costs per person, which declined by 9 percent, from $33.28 in 1988 to $30.04 in 1991.

To gain greater efficiency, USDA's Food and Nutrition Service (FNS) is considering the development of a new inflation index to better forecast WIC food basket costs. This index could help plan for long-term program growth as well as short-term changes in costs and participation. ■