

Cost-Benefit Analysis of the Virginia Expanded Food and Nutrition Education Program
(EFNEP)

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(ABSTRACT)

Each year approximately 7,500 low-income Virginia families are enrolled in the Expanded Food and Nutrition Education Program (EFNEP), administered through the Virginia Cooperative Extension (VCE). Chronic disease and health conditions cost society an estimated \$250 billion each year in medical charges and lost productivity. It has been assumed that the numerous diet and food-related changes made by EFNEP participants will lead to a reduction in the risk of chronic disease among homemakers, and perhaps, other family members. Thus, the improved diets and behaviors resulting from EFNEP participation may result in substantial future savings in healthcare costs among participants. This study explores the possibility of potential economic benefits for the Virginia EFNEP participants.

In 1996, the Virginia Cooperative Extension was awarded a grant from the Cooperative State, Research, Education, and Extension Service, United States Department of Agriculture (CSREES, USDA) to conduct a cost-benefit study of EFNEP in Virginia. Though computation of the cost-benefit ratio for the Virginia adult EFNEP includes both direct and indirect benefits, this study addressed only the assessment of the direct tangible benefits based on the savings from economic costs of avoided diseases. Existing EFNEP data for the 1996 fiscal year was used to identify optimal nutritional behaviors that can delay or prevent the onset of certain chronic diseases and health conditions. The economic costs of diseases were identified from scientific literature and translated as potential benefits. The administration costs of EFNEP were also compiled.

The total direct tangible benefit for the diseases and conditions identified was estimated to be \$17,770,722. Along with the indirect tangible benefits (\$321,462), the total tangible benefits for the Virginia EFNEP was calculated to be \$18,092,184. The direct tangible costs associated with the Virginia EFNEP in 1996 was \$1,922,204. The benefit-cost ratio for the Virginia EFNEP for the 1996 fiscal year for the subset of the population practicing the optimal nutritional behaviors is calculated at \$9.41/\$1.00 (a \$9.41 return for every \$1 invested in EFNEP in Virginia). Also, a

benefit of \$2.45 to \$1.00 was calculated when only 25% of those participants practicing optimal nutritional behaviors were assumed retain these behaviors through life. For a program of the magnitude of EFNEP, these results are very gratifying.