Peer Review Plan

Are Lower Income Households Willing and Able to Budget for Fruits and

Preliminary Title:

	Vegetables?		FX 73				
			[X]	Influential Scier			
Agency:	Economic Research USDA		[]	Highly Influenti	al Scie	entific Assessr	nent
Agency Contact:	Elise Golan, egolan@ers.usda.gov						
Subject of Review:	Past studies suggest that low-income households may be unwilling or unable to allocate additional dollars to fruit and vegetable purchases, given only a small increase in their buying power. One possible explanation is that households have many competing needs and wants. Some of these may be a priority over fruits and vegetables, when additional dollars first become available. Only at still higher levels of income might additional dollars be budgeted for fruits and vegetables. In this study, we expand on past analyses in order to explore this possibility. First, we ask, if a household earns less than 130 percent of the poverty line, on what types of foods might it allocate a portion of any small increase in income? Second, does a household's income need to rise much higher than 130 percent of the poverty line before increased expenditures are made for fruits and vegetables? We conduct the analysis using data on 5,275 households, who completed the Consumer Expenditure Survey in 2003. We divided these households into groups based on their reported incomes relative to the poverty line. We then compared households' expenditures on seven types of food by income group. Statistical models of the relationship between a household's income and its spending on each of the seven foods were then estimated.						
Purpose of Review:	The purpose of the review is to ensure the high-quality of the economic analysis, transparent explanation of methods, objective interpretation of results, and effective communication to the intended audience.						
Type of Review:]] Panel R	Review		[X]	Individual R	eviewers
[] Alternative Process (Briefly Explain):							
Timing of Review (Es	t.): Start:	07/18/07	End:	10/18/07	Coı	mpleted:	10/18/07
Number of Reviewers	[] 3 or fewer	er	[X]	4 to 10	[]	More than 10)
Primary Disciplines/Types of Expertise Needed for Review: Economists							
Reviewers selected by: [X] Agency			[] Designated Outside Organization Organization's Name:				
Opportunities for Public Comment? [] Yes [X] No If yes, briefly state how and when these opportunities will be provided: How: When:							
Peer Reviewers Provided with Public Comments?			[] []	Yes	[X]	No	
Public Nominations Requested for Review Panel?				Yes	[X]	No	

