



National Alliance for Nutrition & Activity

## Dispelling School Food Funding MYTHS

### MYTH

**Schools will lose revenue if they switch to selling healthier food.**

**Reality:** Across the country, schools are switching to healthier foods and are not losing revenue. According to the U.S. Department of Agriculture (USDA) and the Centers for Disease Control and Prevention (CDC), “students will buy and consume healthful foods and beverages – and schools can make money from selling healthful options.”<sup>1</sup> Their survey of 17 schools and school districts found that, after improving school foods, 12 schools and districts increased revenue and four reported no change.

Also, in two pilot studies that evaluated the financial impact of switching to healthier school foods options, total revenues *increased* at the majority of schools because meal revenue increases exceeded any losses from the sale of foods and beverages outside of the meals.<sup>2</sup> National nutrition standards for foods sold outside of meals may help reduce food costs for schools.

### MYTH

**Vending contracts are lucrative for schools.**

**Reality:** While school vending contracts provide a discretionary source of funding for school administrators, they generate a modest amount of revenue per student per year for schools. One national study found that school vending contracts raise an average of just \$18 per student per year for schools and/or school districts.<sup>3</sup> That translates to less than one-quarter of one percent of the average cost of a student’s education.<sup>4</sup> Another national study found that soft drink sales in schools raise a median of \$0.70 per student per year in middle schools and \$6.38 per student per year in high schools.<sup>5</sup>

Also, the money comes out of the pockets of children, and schools typically get to keep only 33% (or less) of the funds.<sup>3</sup> In Austin Independent School District, students spent \$504,000 per year on products from school vending machines, but their schools received only \$90,000 of the proceeds.<sup>6</sup>

## MYTH

Revenue raised through school vending machines is “new” money.

**Reality:** School vending revenue appears to be largely a shift in funds from school food service to the vending account. The Texas Department of Agriculture estimates that Texas schools raise \$54 million per year from vending sales, while the state’s school food service operations likely *lose* at least \$60 million per year to the sale of foods sold outside of the meal programs.<sup>7</sup> In effect, money from students (and their parents) is making up for the loss to schools of available federal reimbursements for school meals.



## MYTH

Schools need to sell foods through a la carte to help fund school meal programs.

**Reality:** Money earned through reimbursable school meals fund a la carte foods, not the other way around. A national meal cost study conducted by USDA showed that by an average of 29%, revenues from non-reimbursable foods (such as foods sold a la carte) fell short of the cost of producing those foods.<sup>8</sup> In the 2005-2006 school year, the average school used the revenues from their reimbursable meals to offset the cost of producing a la carte and other non-reimbursable food items.



## MYTH

Selling junk food in schools makes financial sense for the community.

**Reality:** The money schools earn through vending machines is pocket change compared with the \$123 billion the United States is spending *each year* on obesity related diseases.<sup>9</sup>

**Protecting our children’s health is reason enough to improve school foods. But it also makes financial sense.**

## References

---

<sup>1</sup> Food and Nutrition Service, U.S. Department of Agriculture; Centers for Disease Control and Prevention, U.S. Department of Health and Human Services; and U.S. Department of Education. *Making it Happen! School Nutrition Success Stories*. Alexandria, VA: USDA, January 2005. FNS-374

<sup>2</sup> Center for Weight and Health, University of California, Berkeley. *Dollars and Sense: the Financial Impact of Selling Healthier School Foods*. Berkeley, CA: University of California, 2007.

<sup>3</sup> Center for Science in the Public Interest. *Raw Deal: School Beverage Contracts Less Lucrative Than They Seem*. Washington, D.C.: CSPI, 2006.

<sup>4</sup> National Center for Education Statistics, U.S. Department of Education (DoEd). *Current Expenditures for Public Elementary and Secondary Education: School Year 2003-2004*. Washington, D.C.: DoEd, 2006.

<sup>5</sup> Johnston L, Delva J, and O'Malley P. "Soft Drink Availability, Contracts, and Revenues in American Secondary Schools." *American Journal of Preventive Medicine* 2007, vol. 33, pp. S209-S225.

<sup>6</sup> Carey Dabney, personal communication, December 2, 2005.

<sup>7</sup> Texas Department of Agriculture. *School District Vending Contract Survey*. Accessed on March 5, 2004 at <[www.agr.state.tx.us/foodnutrition/survey/](http://www.agr.state.tx.us/foodnutrition/survey/)>.

<sup>8</sup> U.S. Department of Agriculture, Office of Research, Nutrition, and Analysis. *School Lunch and Breakfast Cost Study – II, Executive Summary*. Alexandria, VA: USDA, 2008.

<sup>9</sup> The Endocrine Society and the Hormone Foundation. *Economic Impact of Obesity*. Chevy Chase, MD: The Endocrine Society and the Hormone Foundation. Accessed at <<http://www.obesityinamerica.org/economicimpact.html>> on October 8, 2008.

**For more information, contact either Bethany Hanna Pokress at the Center for Science in the Public Interest at 202.777.8351 or <[bpokress@cspinet.org](mailto:bpokress@cspinet.org)>; or Jim Vanderhook at National PTA at 202.289.6790 x211 or <[jvanderhook@pta.org](mailto:jvanderhook@pta.org)>.**