8. Laws and regulations

Public Law 88–525, approved August 13, 1964, and 7 CFR parts 1600 and 1601.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

(*a*) *Effects on personal incomes of persons served.*—The free coupons provided by the Federal Government upon purchase of the family food expenditure maintenance amount represent net additional food purchasing power to participating families. On the average, food purchasing power is increased by about $6 per person per month. However, the lower the income of the family, the greater is the amount of assistance provided.

(*b*) *Effects on business.*—The food coupons, spent in retail stores, represent increased sales to retailers and, thus, new money to the economy of the community. A research study cited below shows that all sizes of retail stores share in the increased food sales.

(*c*) *Effects on stability.*—The food stamp program serves as a built-in economic stabilizer. Trends in participation and program costs are inversely associated with employment and general economic trends. Temporary or other downtrends in employment automatically make more people eligible for the program, increase participation, and the amount of Federal funds, in the form of free food coupons, moving into the food stamp areas. Since 1961, as employment has improved in food stamp areas such as Detroit, participation and program costs have declined.

(*d*) *Other benefits.*—Many low-income families that cannot qualify for welfare assistance can participate in the food stamp program. These families, particularly the elderly living on limited pensions, find a dignity in the food stamp approach because they have some of their own money invested in the coupons.

(*e*) *Pertinent geographic differentials.*—Eligibility standards are designed to reflect the State's own standards in the administration of its welfare programs. The purchase requirement and the value of free coupons issued to families also reflect the general level of living in the various sections of the country.

(*f*) *Measurable contribution to GNP.*—This is difficult to determine precisely. The contribution would be made through the multiplier effect of new money into the local economy in the form of increased retail food sales.

(*g*) *Other data or comments.*—See Agricultural Economic Reports Nos. 9, 29, and 55 for further information on the impact on family nutrition levels and on retail sales.

10. Economic classification of program expenditures. (See table 2.)

Program: Food stamp program.

Department or agency, and office or bureau: Department of Agriculture; Consumer and Marketing Service.