



# The 2005 Gulf Coast Hurricanes' Effect on Food Stamp Program Caseloads and Benefits Issued

Kenneth Hanson and Victor Oliveira



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## National Agricultural Library Cataloging Record:

Hanson, Kenneth, 1951-

The 2005 Gulf Coast hurricanes' effect on Food Stamp Program caseloads and benefits issued.

(Economic Research Report (United States. Dept. of Agriculture. Economic Research Service) ; no. 37)

1. Food Stamp Program (U.S.) 2. Food stamps—Gulf Coast (U.S.)  
3. Disaster victims—Gulf Coast (U.S.)

4. Hurricane Katrina, 2005 5. Hurricane Rita, 2005

6. Hurricane Wilma, 2005 I. Oliveira, Victor J.

II. United States. Dept. of Agriculture. Economic Research Service.

III. Title.

HV696.F6

Cover photo courtesy of FNS Southeast Regional Office, USDA.

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United States  
Department  
of Agriculture

Economic  
Research  
Report  
Number 37

February 2007



A Report from the Economic Research Service

[www.ers.usda.gov](http://www.ers.usda.gov)

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**Kenneth Hanson and Victor Oliveira**

## Abstract

In fall 2005, Hurricanes Katrina, Rita, and Wilma devastated areas along much of the Gulf Coast resulting in large increases in food stamp caseloads and benefits issued. In November 2005, the number of people receiving food stamps reached a record 29.7 million, or about 4 million more participants than just 3 months earlier. Most of the increase in caseloads occurred in the Gulf Coast States that were hardest hit by the hurricanes—Florida, Alabama, Mississippi, Louisiana, and Texas. The hurricanes' impact on caseloads in these States, in terms of both magnitude and duration, varied widely. States that received large numbers of evacuees from hurricane-affected areas also experienced disproportionate increases in caseloads relative to the other States. This study estimates that the hurricanes increased total food stamp benefits issued by about \$1.2 billion, with most of it going to people located in the five Gulf Coast States.

**Keywords:** Food Stamp Program, Disaster Food Stamp Program, food stamp caseloads, food stamp benefits issued, hurricanes, Gulf Coast States, Food Assistance and Nutrition Research Program, FANRP

## Acknowledgments

We thank Jenny Genser, Lefki Orphanides, and Vicky Robinson of USDA's Food and Nutrition Service for providing data and helpful comments. We also thank, from USDA's Economic Research Service, David Smallwood and Mark Prell for their helpful comments and Linda Hatcher and Susan DeGeorge for their editorial and design assistance.

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## Summary

In fall 2005, Hurricanes Katrina, Rita, and Wilma devastated areas along much of the Gulf Coast, resulting in greater demand for food stamps by millions of Gulf Coast State residents and evacuees. Hurricane Katrina came ashore in Louisiana on August 29. Hurricane Rita made landfall on September 24 near the Louisiana/Texas border. Hurricane Wilma hit Florida on October 24.

During disasters, USDA delivers emergency food assistance in two ways. Initially, emergency food commodities are provided to shelters, to other mass feeding sites, and directly to households when normal commercial channels of food distribution may be disrupted. USDA also issues emergency food stamps through the Disaster Food Stamp Program (DFSP), an extension of the regular Food Stamp Program. Under the DFSP, eligibility requirements are temporarily relaxed so that benefits can be quickly provided to households that may not ordinarily qualify for food stamps but suddenly need food assistance.

### What Is the Issue?

The Federal response to the disasters has received much attention; information about food stamp use will help provide a more complete picture of the use of public assistance both during and after the hurricanes. To provide this information, we examined the effect of the hurricanes on food stamp caseloads and benefits issued.

### What Did the Study Find?

One effect of the hurricanes was a dramatic spike in both Food Stamp Program caseloads and benefits issued. In November 2005, 29.7 million people received food stamps, the largest number ever to receive food stamps in a single month and about 4 million—or 15 percent—more than just 3 months earlier.

**State-Level Impacts.** During the peak-impact period of September to November 2005, the average Food Stamp Program caseload increased by 12 percent relative to the pre-hurricane period of March to August 2005. As would be expected, most of this increase in caseload occurred in the five Gulf Coast States hardest hit by the hurricanes—Florida, Alabama, Mississippi, Louisiana, and Texas. Average monthly caseloads in these Disaster States during the peak-impact period increased by 48 percent compared with only 2 percent for the other States. However, the hurricanes' impact in terms of both magnitude and duration differed widely among the five Disaster States. For example, the increase in caseload was largest in Florida, but the effect was brief, lasting only 1 month. Louisiana experienced a large increase in caseload lasting several months before dropping to below pre-hurricane levels. In Texas, caseload remained significantly above pre-hurricane levels even 5 months after hurricanes Katrina and Rita.

By March 2006, food stamp caseloads in the Disaster States were only 1 percent greater than the pre-hurricane caseloads in August 2005. Of the five Disaster States, Texas was the only one in which the food stamp caseload in March 2006 exceeded the caseload in August 2005.

The impact of the hurricanes also spread to other States because of their enrollment of hurricane evacuees in the Food Stamp Program. Average caseloads in the Major Evacuee States increased by 5 percent compared with only 2 percent in all other Unaffected States.

The hurricanes also affected the average food stamp benefit per person, which increased in Disaster States during the peak-impact period. In addition, the average size of food stamp households in Disaster States increased in November. However, this result was due to the situation in Florida, where the average size of households enrolling in the DFSP was larger than the average size of households participating in the regular Food Stamp Program.

***National-Level Impacts.*** We estimate that the hurricanes increased food stamp benefits issued from September 2005 through January 2006 by almost \$1.2 billion compared with what they would have been without the hurricanes. Although the hurricanes have had long-lasting effects on some local areas, this analysis suggests that, by February 2006, the effect of the hurricanes on food stamp caseloads and benefits issued at the national level had largely dissipated. The estimate of the hurricanes' impact on the Food Stamp Program reported here is more comprehensive than estimates derived solely from State administrative reports of disaster benefits issued.

We estimate that the difference between actual caseloads and what caseloads would have been without the hurricanes was 2 million people in September, due to Hurricane Katrina. In October, the estimated difference was 2.15 million people due to Hurricanes Rita and Katrina. Hurricane Wilma caused a large 1-month increase in caseload for Florida, resulting in an estimated difference of 3.74 million people in November 2005. The actual and estimated food stamp caseloads for the Disaster States converged in February 2006 at a level of 5.43 million, about equal to the pre-hurricane level in August 2005 of 5.38 million.

## **How Was the Study Conducted?**

The study uses 13 months (March 2005-March 2006) of State-level data from USDA's Food and Nutrition Service (FNS) on Food Stamp Program caseloads and benefits issued to examine the hurricanes' impact on food stamp caseloads and benefits issued. The study analyzes caseloads for three groups of States—Disaster States, Major Evacuee States, and Unaffected States—over 3 distinct periods—6-month pre-hurricane period, 3-month peak-impact period, and 4-month post-hurricane period. Regression analyses were used to estimate what the national food stamp caseloads and benefits issued would have been in the absence of the hurricanes. The estimates of caseloads and benefits issued in the absence of the hurricanes were used to determine the impact of the hurricanes at the national level.