

Conclusions

The Federal response to the Gulf Coast Hurricanes of 2005 has received much attention (for example, see White House, 2006). This report about food stamp use helps to provide a more complete picture of the use of public assistance both during and after the hurricanes.

The hurricanes significantly affected the Food Stamp Program. Average monthly caseloads in Disaster States increased by 48 percent in the peak-impact period compared with those in the pre-hurricane period. During the same period, average caseloads increased by 5 percent in Major Evacuee States and 2 percent in Unaffected States.

While caseloads in all five Disaster States significantly increased as a result of the hurricanes, the increase varied widely both in magnitude and duration among individual States. For example, the largest increase (162 percent) in caseloads occurred in Florida in November due to Hurricane Wilma, but the increase was largely limited to the 1 month. Louisiana experienced a large increase in caseloads (124 percent) due to Hurricanes Katrina and Rita that lasted the entire 3-month peak-impact period. Compared with other Disaster States, Texas had the smallest average increase (19 percent) in caseloads in the hurricane period. However, in terms of duration, the hurricanes' effect was greatest in Texas; average caseloads in the post-hurricane period were 13 percent greater than in the pre-hurricane period, reflecting, at least in part, the large number of evacuees who relocated to Texas.

By March 2006, food stamp caseloads in Disaster States were 1 percent greater than caseloads in August 2005, whereas in Unaffected and Major Evacuee States, caseloads grew by almost 3 percent and 2 percent, respectively. A major reason for lower caseloads in Disaster States was the large number of evacuees exiting some of these States following Hurricanes Katrina and Rita. However, States that received large numbers of evacuees from hurricane-impacted areas experienced disproportionate increases in caseloads relative to the other States.

The hurricanes also impacted the average food stamp benefit per person, which increased in Disaster States during the peak-impact period. The average size of food stamp households in Disaster States also 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.

Using regression analysis, we estimate that the cumulative impact of the hurricanes on benefits issued was \$1.231 billion over the months of September 2005 through January 2006, most of which (\$1.162 billion) occurred in Disaster States. This estimate of the hurricanes' total impact on benefits issued is greater than the \$1.021 billion reported in the State DFSP reports, which include some replacement benefits. Our estimate accounts for people and benefits issued that would not show up in the State DFSP reports, such as people who enrolled in the regular Food Stamp Program or were already enrolled and had their benefit levels changed as a result of the hurricanes.

Food stamp benefits directly improve the well-being of disaster victims participating in the program. Hurricane-impacted communities also benefit, via the program's use of "normal channels of trade" for bringing food assistance into a disaster area. As recipients use food stamps to purchase food from local retailers, the benefits become revenue for the retailers and bring people back to work in both retail businesses and businesses that provide services to them, such as the wholesalers, transporters, etc. The food stamp benefits generate a multiplier effect as the dollars cycle through the local economy, contributing to the economic recovery of the community.

This analysis suggests that, by February 2006, the effect of the disasters on food stamp caseloads and benefits issued at the national level had largely dissipated, even though some individuals and local areas may still be experiencing disaster-related employment and economic hardships.