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THE FOOD STAMP PROGRAM will require federal outlays of well over $4 billion in the current fiscal year, up from $2.8 billion in fiscal 1974 and $2.2 billion in fiscal 1973. The surge in federal expenditures is related to the faltering economy and declining employment that recently have swelled the number of program participants, and to Congress' swift defeat of Administration plans to cut costs of the food stamp program.

The food stamp program provides eligible participants with coupons that are redeemable for food. Eligibility is based largely on a "net income" concept which permits liberal deductions from gross income. The value of the monthly coupon allotment, which varies by size of household, is based on the USDA's "economy food budget" and is adjusted semiannually to reflect changes in food prices. Currently, the monthly coupon allotment for a family of four is $154, up from $142 a year ago and $112 in 1973. Households with little or no income receive the monthly coupon allotment free; other eligible households must purchase a portion of their coupons. In fiscal 1974 purchases amounted to 42 percent of the $4.7 billion in coupons issued.

The purchase requirement, under current arrangements, is progressive with respect to both net income and household size and ranges upward to the legal maximum of 30 percent of net income. The progressive feature implies that purchase requirements, as a percent of net income, are comparatively greater for larger households and for households that qualify at the upper range of the eligible income standards. According to a recent study, the purchase requirement is equivalent to 23 percent of net income for the average household in the program.

In an effort to slow the soaring costs of the food stamp program, the Administration planned to raise the purchase requirement to the legal maximum for all households except those with little income. The change would have provided estimated savings in federal outlays of $215 million in the current fiscal year and $650 million in fiscal 1976. Earlier this month, however, Congress overwhelmingly rejected the change by passing legislation prohibiting any alteration in the purchase requirement during the current year.

A cost-saving Administration proposal that is still pending would limit the semiannual cost-of-food adjustment in the coupon allotment to a maximum of 5 percent. (The same proposal applies to all federal income programs—including social security benefits—that are tied to increases in the consumer price index.) Unlike the planned change in the purchase requirement, this proposal will require supporting federal legislation. Based on the initial reaction of Congress, however, it's doubtful that the estimated $217 million savings said to be available through this proposal will be realized in fiscal 1976.

Until recent months rapidly rising federal costs of the food stamp program reflected the 1973 Congressional mandate to expand coverage to all areas of the United States. The expanded food stamp coverage was to coincide with a phasing out of the family food distribution program. By September of 1974, the transition was virtually completed within the United States, boosting the number of food stamp program participants to 14.3 million, up from 13.5 million in June 1974 and less than 12.2 million in June of 1973.

In recent months participation in the food stamp program has accelerated reflecting the deteriorating health of the economy. By December, participation had jumped to 17.1 million individuals. Some reports predict the number for January may rise above 19 million. Such levels substantially exceed the projections of just a few months ago when the Administration prepared budget estimates for both fiscal 1975 and 1976. At that time the number of program participants was expected to total only 15.8 million by June of this year.

The recent developments portend the likelihood that federal costs of the food stamp program will continue to soar unless major revisions are made. The Administration recently estimated that expenditures for the program, as presently constituted, would rise to around $8 billion by 1980. Such a level appears realistic in light of an early 1974 study that suggested some 37 million individuals were probably eligible for the food stamp program.

Gary L. Benjamin
Agricultural Economist