

NUTRITION CONSORTIUM of NYS

January 29, 2008

Dear Senator Schumer:

Thank you for speaking out in favor of providing a temporary food stamp benefits boost as an ideal component of an economic stimulus package. As your comments in the 1/26/08 Bloomberg News article state, "Spending additional money on unemployment benefits and food stamps will generate 'more bang for the buck,'" is exactly right. **A temporary food stamp benefit boost and an unemployment insurance extension are the two best ways to stimulate the economy and to cushion the blow on people hard hit by a weakened economy, and both must be included in stimulus legislation.**

Please continue to push for the strongest possible stimulus plan, including the food stamp boost. We understand that recent discussion about temporarily boosting food stamp benefits has included a 10% increase lasting about 8-9 months, through December 2008, with larger increases being discussed.

A food stamp boost is an ideal component of a stimulus package:

- Because it can be issued so quickly, it gets extra dollars into the economy faster than just about any other stimulus strategy. Food stamp benefits could be reaching people within 60 days, and in some states in 30 days. In contrast, the first tax rebate checks would not reach anyone until late May, and many families would not receive the rebates until July or even August.
- Because it goes to people with the hardest time making do on a daily, weekly or monthly basis, they are likely to spend all of the boost and do so quickly.
- Because it goes to some families getting a tax rebate as well—the extra food stamp benefits as a percentage boost in income is more to a family with a minimum wage worker than the rebate amounts for the vast majority of moderate and higher-income taxpayers who will get it.
- Because it goes to millions of families with children, disabled persons and seniors who do not file tax returns and do not have earnings more than \$3,000, and therefore will receive no rebates under the House plan. For example, about 2 million low-income elderly individuals who live on meager fixed incomes and would be left out of the rebate would receive the food stamp increase, were it to be included in the final package.

- Because for all of these reasons, the food stamp boost is probably the most effective stimulus strategy, per dollar. Mark Zandi, chief economist of Moody's Economy.com says: a temporary food stamp boost would generate \$1.73 in increased economic activity for each \$1.00 in cost; extending unemployment compensation generates \$1.64 per \$1; a tax rebate that reaches low and moderate income working families generates \$1.26 per \$1 of cost; and accelerated business depreciation tax cuts generate \$.27 per \$1.

Thank you for your diligence in speaking out for struggling New Yorkers. Please do not hesitate in contacting me if I can be of further assistance.

Sincerely,

Linda Bopp