The Effect on Needy Families of Suspension of the Food Stamp Plan

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DURING THE 4 YEARS of its operation, the food stamp plan, administered by the Food Distribution Administration of the U. S. Department of Agriculture,[1] enabled large numbers of families throughout the United States to improve their diets. Although the plan was established in May 1939, at a time of food surpluses, primarily to increase agricultural income by increasing the demand for surplus farm products, it also served to increase the food consumption of low-income families. Disappearance of food surpluses under the stress of wartime demands led to the discontinuance of the plan on March 1, 1943. The suspension took effect in a period of sharply rising food costs, when the purchase of sufficient food was increasingly difficult for families with small incomes.

Since most of the families that had participated in the food stamp plan were recipients of assistance, an inquiry was made in March 1943 to ascertain how these families would be affected by its termination.[2] Replies received from 44 agencies in 39 of the 47 States in which the plan was in operation and from 14 large city or county agencies include information concerning: (1) increases that had been made in the amounts included for food, in determining need in each assistance program, (2) plans for further adjustments to compensate for loss of food stamps, (3) the availability of funds to effectuate such changes, and (4) the ability of the agencies to aid families who had been participating in the stamp plan, although they were not receiving any other type of assistance.

Administrators of assistance also volunteered considerable information on the ability of the assistance agencies to adjust payments to meet rising price levels and on the relationship of the stamp plan to the assistance programs.

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[1] Previously administered by the Federal Surplus Commodities Corporation and its successors, the Surplus Marketing Administration and the Agricultural Marketing Administration of the U. S. Department of Agriculture.

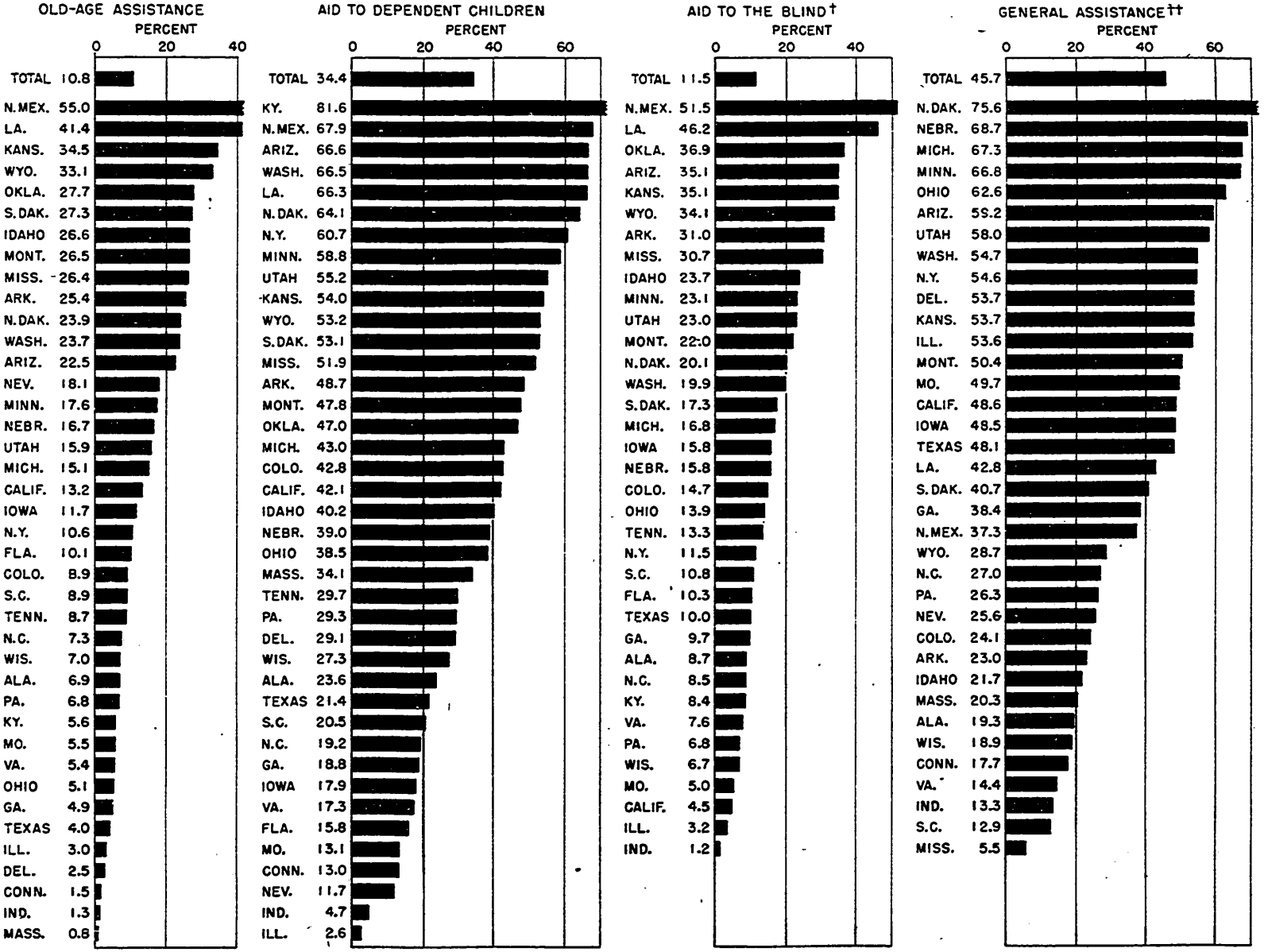
[2] The Food Distribution Administration cooperated in this inquiry by supplying statistical data and by advising on the plan for the study.

Method of Operation

In areas that adopted the stamp plan, direct purchase by participating families of surplus commodities through normal trade channels was substituted for distribution of commodities by welfare agencies. The food stamp plan did not completely replace direct distribution by welfare agencies, however, since the agencies continued to distribute surplus foods directly to recipients of assistance and other needy persons in areas where the stamp plan was not in use. Both in these and in stamp-plan areas, food was also distributed directly to certain charitable institutions and, under the school lunch program, to school children. Direct distribution of commodities was discontinued as a regular program on June 30, 1943.

Under the stamp plan, free blue stamps were distributed to families who were receiving or were eligible for assistance, including families receiving grants from the Farm Security Administration or earnings on projects of the Work Projects Administration. These free stamps could be used in the retail market to purchase foods declared to be in surplus by the Secretary of Agriculture. As a condition to participation in the stamp plan, consumers were usually required to buy orange-colored stamps, in an amount intended to equal their normal food purchases. These orange stamps could be used to purchase any food in the market. This purchase requirement was intended to ensure that food bought with free stamps represented a net addition to food consumption and an increase in farm income. Ordinarily, a family received 50 cents in free blue stamps for every $1 spent for orange stamps. In some States and localities, however, a higher or lower proportion of free blue stamps was given with orange stamps, and free stamps were also distributed to some families who could not buy orange stamps. The food stamps could be used in retail food stores in the particular food stamp area, and were redeemable by the retailer either directly through the Department of Agriculture or through wholesalers or banks acting as collection agents for the Department.

Chart 1.—*Percent of assistance cases participating in the stamp plan in 40 States, by State and program, December 1942* [1]



[1] Excludes 4 States in which the plan was not in operation and 7 States for which data by type of assistance are not available.

†Excludes Connecticut, Massachusetts, and Nevada, where a negligible number of cases participated in the stamp plan, and Delaware, which does not have a program for aid to the blind.

††Excludes Florida, Kentucky, Oklahoma, and Tennessee, for which data on cases receiving assistance are estimated.

Extent of Participation in Plan

In December 1942, the stamp plan was in operation in areas which included more than three-fifths of the total population of the United States (table 1). In most other areas, foods were distributed directly to recipients. When general assistance and WPA rolls dropped precipitously with the rapid expansion of employment to meet war needs, the number of families participating in the stamp plan decreased.

Table 1.—*Counties participating in the food stamp plan, December 1942*

State	Total counties in State	Counties operating entirely under stamp plan	City areas operating under stamp plan	Percent of total State population residing in stamp plan areas
Total	3,096	1,354	83	61.5
Alabama	67	3	0	19.0
Arizona	14	14	0	100.0
Arkansas	75	34	0	59.1
California	58	51	0	97.4
Colorado	63	37	0	82.2
Connecticut	8	-	3	20.5
Delaware	3	1	0	67.4
Florida	67	6	0	41.1
Georgia	159	0	0	28.4
Idaho	44	44	0	100.0
Illinois	102	8	3	51.9
Indiana	92	4	1	25.7
Iowa	99	52	0	67.2
Kansas	105	97	0	91.7
Kentucky	120	8	0	28.6
Louisiana	64	39	0	76.8
Maine	16	16	0	100.0
Maryland	[1] 24	3	1	58.9
Massachusetts	14	1	42	62.0
Michigan	83	56	0	76.4
Minnesota	87	85	0	97.7
Mississippi	82	52	0	70.2
Missouri	[2] 115	6	1	47.4
Montana	56	56	0	100.0
Nebraska	93	67	0	80.5
Nevada	17	17	0	100.0
New Hampshire	10	10	0	100.0
New Jersey	21	0	11	28.7
New Mexico	31	31	0	100.0
New York	62	11	11	75.1
North Carolina	100	11	0	27.0
North Dakota	53	53	0	100.0
Ohio	88	28	1	67.5
Oklahoma	77	75	0	98.4
Oregon	36	36	0	100.0
Pennsylvania	67	40	0	77.2
Rhode Island	5	4	0	93.5
South Carolina	46	4	0	25.8
South Dakota	69	66	0	98.4
Tennessee	95	21	0	47.1
Texas	254	70	0	49.8
Utah	29	29	0	100.0
Vermont	14	0	[3] 3	19.8
Virginia	[4] 124	2	6	21.1
Washington	39	39	0	100.0
West Virginia	55	0	0	0
Wisconsin	71	35	0	61.3
Wyoming	23	23	0	100.0
District of Columbia	[5] 1	0	0	0

[1] 23 counties and 1 independent city.
[2] 114 counties and 1 independent city.
[3] Seven townships in Vermont also operated under the stamp plan in December.
[4] 100 counties and 24 independent cities.
[5] Not included in county totals.

Source of data: Food Distribution Administration, Civilian Food Requirements Branch.

In the 40 States for which information is available by type of assistance,[3] more than one-third of all families receiving aid to dependent children and somewhat less than one-half of those on the general assistance rolls participated in the plan in December 1942 (chart 1). More than one-tenth of the recipients of old-age assistance and aid to the blind were utilizing food stamps. These data reflect the percentage of all recipients of assistance that benefited under the stamp plan in these 40 States. Since the stamp plan was in operation in areas including only 63 percent of the population of these States, the percentage of participation by families in the stamp-plan areas was much higher. On the assumption that 63 percent of the families receiving assistance lived in the stamp-plan areas, the following rough estimates indicate the proportion of assistance families in these areas that participated in the plan.

Program	Percent of families in total case load that participated in the stamp plan	Estimated percent of families in the stamp-plan areas that participated
Old-age assistance	10.8	17.0
Aid to dependent children	34.4	55.0
Aid to the blind	11.5	18.0
General assistance	45.7	73.0

Assistance cases may not have been distributed between the stamp-plan and other areas in the same proportion as the general population. For this reason, the estimated percentages may be somewhat higher or somewhat lower than the actual data, if available, would show.[4] Similar estimates could be made for each State by relating information on population of stamp-plan areas (table 1) to percent of total families participating (chart 1). Such estimates, however, might include a considerable error for some States or for one or more programs within a State.

In addition to cases receiving one of the four types of assistance, certain other families were eligible to participate in the stamp plan. In December 1942, some 34,000 families with a member employed on WPA, or 12 percent of the

[3] Information by type of assistance received is not available for 7 States and the plan was not in operation in 4 States.

[4] In September 1942, about 66 percent of all "persons certified" as eligible to participate in the plan, actually participated. The percent of participation based on "persons certified" is higher than the percent based on total case loads because all recipients of assistance were not certified. Included among those not certified were individuals not eligible to participate because they did not eat in their own homes or were living in family homes where the total income of the family exceeded specified amounts.

total families with WPA employment in the 40 States, used this opportunity. An additional 500 families assisted by other Federal agencies and more than 45,000 families who had no other assistance also participated in the plan (table 3).

Not only did large numbers of families participate in the food stamp plan, but the free stamps represented a substantial addition to their purchasing power. The average value of free stamps issued to participating families who received aid to dependent children in December 1942 was $12.39. Free stamps issued in the same month to general assistance cases that participated in the plan averaged $8.50 in value, while those issued to recipients of old-age assistance and aid to the blind averaged almost $6 and more than $7, respectively (table 2). The average for families not receiving assistance was $11.50.

Effect of the Operation of the Stamp Plan on Administration of Assistance

At the outset, the Department of Agriculture and the public assistance agencies had agreed that assistance payments were to be maintained either at the levels in effect when the stamp plan was adopted or at higher levels, so as to assure that food purchased with free stamps would represent an increase in purchasing power. In order to obtain information as to the effect of the operation of the plan on assistance standards, the agencies were asked whether at the time the plan was put into effect changes were made in the amount of money included for food in determining need. They were also asked what effect operation of the plan had upon revision of cost figures for food.

Only a few agencies reported that adoption of the stamp plan resulted in any change in amounts included for food in the determination of need. In a few instances, this amount was increased either when the stamp plan was adopted or later, to facilitate participation in the plan. Such increases occurred in eight States but related to all four types of assistance in only one State, to general assistance in six States, and to aid to dependent children in one State. In general, increases were restricted to the counties in which the stamp plan was in operation. Only one State agency reported any lowering of standards; in determining payments for recipients of old-age assistance and of aid to the blind, amounts for food had been reduced to the lower amounts established for recipients of aid to dependent children.

Agencies in six States reported either that the need to increase food allowances to meet rising prices did not become apparent as soon as it might have if the stamp plan had not been in operation, or that revision was delayed because commodities were available through the stamp plan or through direct distribution. For example, in one State where local officials are responsible for revision of budget standards for general assistance, the State agency reported, "In general the attitude of local authorities was to allow the excess buying power of stamps to absorb the rise in price level instead of raising standards." Another State agency, which has revised the State budget standard for food every 6 months since prices started to rise, reported that many of the local agencies undoubt-

Table 2.—*Average value of blue stamps issued per case participating, by State and program, December 1942* [1]

State	Old-age assistance	Aid to dependent children	Aid to the blind	General assistance	Non-assistance
Total	$5.77	$12.39	$7.23	$8.53	$11.50
Alabama	3.97	8.58	4.32	3.51	9.65
Arizona	6.53	12.77	8.67	8.74	
Arkansas	6.08	10.47	7.91	6.90	12.48
California	5.15	14.47	10.29	6.78	11.20
Colorado	5.64	11.80	7.30	6.42	13.09
Connecticut	7.84	19.08	(2)	12.30	
Delaware	4.56	13.62		6.04	
Florida	6.40	12.48	7.05	8.90	12.19
Georgia	4.73	11.98	5.89	5.42	10.91
Idaho	5.72	10.59	7.32	4.22	10.97
Illinois	5.37	20.09	6.22	8.80	
Indiana	7.17	14.89	(2)	6.29	
Iowa	5.91	12.28	6.90	8.71	12.09
Kansas	5.47	12.09	6.74	6.43	14.60
Kentucky	6.42	14.43	(2)	6.71	11.30
Louisiana	4.04	9.48	5.11	4.21	8.62
Massachusetts	5.51	19.14	(2)	12.04	22.63
Michigan	4.66	12.01	10.69	7.79	(2)
Minnesota	6.54	13.17	7.88	8.69	12.74
Mississippi	5.53	9.54	6.80	(2)	8.29
Missouri	5.99	12.68	7.20	8.39	
Montana	5.66	11.68	5.60	5.35	10.93
Nebraska	6.53	13.29	7.38	6.43	
Nevada	4.53	(2)	(2)	4.95	(2)
New Mexico	4.92	10.65	6.83	4.79	12.25
New York	6.42	13.15	6.53	10.05	21.37
North Carolina	5.72	11.31	7.54	4.69	11.25
North Dakota	5.56	11.53	(2)	6.89	(2)
Ohio	5.93	13.78	7.38	6.93	13.01
Oklahoma	6.05	11.25	8.07	4.50	8.95
Pennsylvania	5.70	12.41	5.27	7.03	
South Carolina	3.98	9.23	4.48	4.27	8.55
South Dakota	5.87	10.85	(2)	8.05	(2)
Tennessee	7.02	11.90	8.90	6.29	11.17
Texas	7.75	12.14	8.73	8.37	12.25
Utah	4.84	12.34	(2)	7.78	
Virginia	4.65	11.41	5.61	5.15	11.70
Washington	6.40	13.28	6.46	7.05	
Wisconsin	7.76	14.23	10.08	8.95	9.25
Wyoming	4.98	10.92	(2)	4.51	11.43

[1] Excludes 4 States in which the plan was not in operation and 7 States for which data by type of assistance are not available.

[2] Average not computed because less than 50 cases participated.

Source: Averages computed from data in table 4.

edly did not put the recommended revisions into effect because commodities were available to supplement payments.

Since prices have risen more rapidly for food than for other goods and services, the failure of these agencies to increase amounts for food in the determination of need has usually meant a considerable reduction in the amount of food that recipients can purchase. The delay in adjustments to meet rising prices was probably most serious for families who did not benefit through either the stamp plan or direct distribution of commodities.

A few agencies volunteered the opinion that a dual system of assistance is not a satisfactory method of providing for needy families. These comments were scattered and incomplete, but they came both from agencies with very limited funds for these programs as well as from those able to provide relatively adequate assistance. One agency, for example, said, "We are firm supporters of one type and source of assistance to the needy." Another State agency which canvassed the county directors reported as the consensus of the directors that a direct money grant to the families in an amount to meet their need based on minimum requirements would be preferable to dependence on supplementation by distribution of commodities. The director of assistance in a State where general assistance is administered by local officials on an extremely meager basis believes that reinauguration of the stamp plan, or a similar plan through which supplemental assistance is provided to families, would delay development of a general assistance program with Federal participation.

Effect of Suspension of the Stamp Plan on Participating Families

Replies received from administrators of assistance indicated that the effects of the suspension of the stamp plan on participants would vary widely among the States and among participants within a given State, mainly because of the great differences in State assistance standards and in the adequacy of available funds.

Agencies in the Southern and Southwestern States foresee a particularly serious loss to participants in these States. One Southern State reports that funds for the special types of public assistance are not available to increase amounts included for food to compensate for rising prices. Moreover, total requirements of recipients even under present standards are not met. In this State both the stamp plan and the program under which food was distributed directly to recipients were used to a considerable extent as a substitute for a general assistance program, because no State funds are available for general assistance and county funds for this purpose are extremely meager and in some localities nonexistent. On the other hand, one Western State reports that, although the stamp plan served a useful purpose when payments under the general assistance and aid to dependent children programs were below a desirable standard, the agency is now able to include adequate amounts for food.[5]

Hardship resulting from suspension of the stamp plan is not, however, restricted to the Southern and Southwestern States. In certain other States administrators anticipate a serious loss to some families. The uneven distribution of the effect of loss of foods obtained under the stamp plan stems from the differences among assistance programs in the extent to which the total need of recipients is met. For example, both under the Social Security Act [6] and under laws or administrative policies in some States, the maximums on payments allow for more nearly adequate payments to recipients of old-age assistance and aid to the blind than to recipients of aid to dependent children. Frequently, general assistance standards differ radically from those for other programs. These differences among assistance programs may accentuate the effect of suspension of the stamp plan upon recipients under certain programs.

Aid to dependent children.—Assistance agencies indicate that suspension of the plan will be a particular hardship to many families receiving aid to dependent children. Participation by these families was relatively high in many States, and large amounts of free stamps were issued to them. In December 1942, about 110,000 families (including almost 500,000 persons), or more than one-third of all families receiving aid to dependent children, participated in the plan in the 40 States. On the assumption that recipients were distributed between stamp-plan and non-stamp-plan areas

[5] From January 1942 to May 1943 the average payment to families receiving aid to dependent children in this State increased by more than $10 and to cases receiving general assistance, by almost $7.50.

[6] The Social Security Act limits the amount of individual payments that may be matched with Federal funds under each program.

in these States in the same proportion as general population, it may be estimated that more than half of the families to whom stamps were actually available were making use of them.

The average value of free stamps issued to each family was $12.39 in December, and the average payment for aid to dependent children was $36.25 per family. For families that participated in the stamp plan, the average assistance payment may have been higher or lower than the average for all families. It seems probable, however, that the ratio between the amount of the assistance payment and the value of free stamps was high for most families. In 15 of the 40 States, the ratio between the average assistance payment and the average value of blue stamps issued per family participating in the stamp plan was about 2 to 1. In 17 States the ratio was about 3 to 1. One of the State agencies that estimated that loss of the blue stamp purchasing power was equivalent to cutting the total amount of assistance to participating families by more than one-fourth, declared that the commodities purchased with blue stamps "brought the food budget in the participating cases to somewhere near an adequate level." [7]

Payments for aid to dependent children are frequently limited by maximums on individual payments. Eighteen States have adopted the matching maximums specified in the Social Security Act, which allows Federal participation in individual payments of $18 for the first child in a family and $12 for each additional child, while 3 of these have an additional limitation through a maximum amount per family. Ten additional States have maximums of varying amounts. In 27 of these 28 States about 45 percent of the families are receiving payments at the maximum. An increase in amounts included for food in determining need does not, therefore, actually result in increased payments for all recipients. As one State agency reported, revision in price schedules is "academic" in this State insofar as aid to dependent children is concerned, since about 85 percent of the grants are at the legal maximums.

Some States that limit maximum payments provide supplemental assistance under the general assistance program. Where general assistance funds are available for this purpose, loss of food stamps will be less serious than in States which have no means of supplementation. In States where such supplementation is left to the administrative discretion of local officials, however, loss of food stamps may result in hardship to recipients in some counties. In the largest metropolitan area in one State, for example, more than 60 percent of the aid to dependent children families receive supplemental assistance under the general assistance program. In the other counties, policies of local officials differ and only 16 percent of the families receive supplemental general assistance. In the opinion of the State welfare agency, assistance payments and other resources available to these families in many instances do not meet their needs and the discontinuance of the stamp plan will mean a serious loss. It will also represent a loss in certain other States where payments to aid to dependent children families are low because standards under which need is determined do not provide adequately for the total requirements of the families or because funds are not available to meet need after it has been determined.

On the other hand, a number of States that do not have maximums on payments for aid to dependent children and are able to meet total need of recipients report that amounts included for food under present standards of the agency are considered sufficient to meet the nutritional needs of the families.

General assistance.—In December 1942, more than 191,000 families, or about 45 percent of all families receiving general assistance in the 40 States, participated in the stamp plan. On the assumption that recipients were distributed in accordance with general population, it may be estimated that approximately 73 percent of the families living in the stamp-plan areas in these States participated in the plan. The average value of free stamps issued to these families in December was $8.53. Since all cases receiving general assistance did not participate, only a rough comparison can be made between the average assistance payment under this program—$25.21 in December—and the average value of free stamps issued to participating cases. It is, nevertheless, obvious that the average value of the stamps was relatively high in relation to average assistance payments.

The agencies indicate that loss of food stamps will be more serious, on the whole, for families receiving general assistance than for other recip-

[7] Minnesota Department of Social Security, Division of Social Welfare, *Social Welfare Review*, Vol. IV, No. 8 (January 1943), p. 6.

ients. Although some agencies are able to meet total need of families receiving general assistance and have adjusted payments to compensate for rising costs of living, general assistance payments are still too low in a number of States to meet minimum subsistence requirements. This is true not only in States where payments are low under all assistance programs, but also in some States that provide more generously for recipients under one or more of the special types of assistance.

Less favorable treatment of recipients of general assistance may reflect lack of funds or the failure of agencies or local officials to adopt reasonably adequate standards of assistance. Even within a State, the situation often varies considerably among counties. In one State, for example, budget standards adopted by the State agency are not always used by the counties in determining the need of general assistance cases. Although most of the counties have made adjustments in computing the cost of food in general assistance cases, the State agency believes that the effect of the loss of food stamps will be unevenly distributed among the families that have participated in the plan.

Old-age assistance and aid to the blind.—Since payments for old-age assistance and aid to the blind are in general more nearly adequate than for aid to dependent children and general assistance, aged and blind recipients have not depended on food stamps to the same extent as have families assisted under the other programs.

More than 227,000 cases receiving old-age

Table 3.—*Number of cases and persons participating in food stamp plan and value of blue stamps issued, by assistance category and by State, December 1942* [1]

State	Old-age assistance			Aid to dependent children			Aid to the blind			General assistance			Non-assistance		
	Cases	Persons	Value of blue stamps	Cases	Persons	Value of blue stamps	Cases	Persons	Value of blue stamps	Cases	Persons	Value of blue stamps	Cases	Persons	Value of blue stamps
Total, 40 States [2]	227,505	404,215	$1,311,811	109,535	483,721	$1,357,483	[3] 8,531	[3] 20,713	[3] $61,660	191,431	480,414	$1,632,018	[4] 45,605	[4] 215,397	[4] $524,248
Ala.	1,486	2,804	5,906	1,237	5,735	10,608	50	118	242	442	720	1,550	556	2,249	5,364
Ariz.	2,163	3,679	14,115	1,281	6,549	16,363	143	388	1,240	1,465	4,602	12,809	.....	.....	.....
Ark.	6,303	15,305	42,105	2,801	12,705	29,338	360	1,080	2,846	835	2,151	5,814	3,660	16,637	45,677
Calif.	20,280	24,519	104,523	4,288	18,901	62,062	315	813	3,240	8,227	17,245	55,806	193	772	2,217
Colo.	3,738	5,730	21,100	2,109	9,492	24,880	92	193	672	1,565	3,698	10,048	653	3,134	8,546
Conn.	252	441	1,976	272	1,223	5,191	5	20	79	719	2,143	8,842	.....	.....	.....
Del.	53	69	242	106	484	1,444	.....	.....	.....	231	455	1,395	.....	.....	.....
Fla.	4,377	9,076	28,261	820	3,716	10,231	277	699	2,119	1,212	3,507	10,786	5,079	22,691	61,900
Ga.	3,460	6,402	16,352	873	4,243	10,401	212	493	1,248	1,731	3,993	9,389	2,000	9,435	21,818
Idaho	2,626	4,645	15,012	974	4,595	10,316	66	153	483	200	323	843	314	1,368	3,446
Ill.	4,490	7,409	24,098	670	3,369	13,458	243	467	1,512	30,360	66,335	207,027	.....	.....	.....
Ind.	915	1,553	6,562	592	2,843	8,816	28	66	205	1,721	4,481	10,834	.....	.....	.....
Iowa	6,507	10,099	38,434	513	2,305	6,302	242	435	1,670	4,900	10,575	42,675	167	931	2,019
Kans.	10,560	18,159	57,734	3,062	12,897	37,006	450	1,020	3,032	3,224	9,533	20,720	375	2,293	5,476
Ky.	2,999	7,315	19,246	359	1,866	5,181	30	78	252	1,488	4,113	9,087	1,153	5,332	13,031
La.	15,755	29,574	63,622	8,942	39,344	84,742	672	1,562	3,431	1,705	3,067	7,174	532	2,047	4,588
Mass.	693	1,236	3,818	3,341	14,128	63,962	2	4	16	4,141	14,283	49,875	944	5,270	21,365
Mich.	13,536	17,683	63,041	7,589	31,675	91,141	230	811	2,460	12,841	28,056	100,027	48	281	748
Minn.	10,969	18,279	71,745	4,590	21,084	60,450	237	522	1,867	7,794	21,420	67,732	1,809	9,047	23,042
Miss.	6,938	18,029	38,349	1,280	6,265	12,211	410	1,359	2,780	36	99	170	8,299	37,146	68,807
Mo.	6,219	11,194	37,224	1,782	8,267	22,591	156	377	1,121	5,882	14,385	49,323	.....	.....	.....
Mont.	3,228	4,561	16,323	1,019	4,555	11,901	70	120	392	802	1,909	4,293	688	2,867	7,520
Nebr.	4,764	8,380	31,122	1,754	8,506	23,316	110	238	812	2,299	5,329	14,784	.....	.....	.....
Nev.	383	444	1,736	13	52	130	2	4	20	91	174	450	49	237	698
N. Mex.	2,801	5,649	13,782	1,617	7,569	17,228	124	334	848	465	1,008	2,227	262	1,397	3,210
N. Y.	12,158	17,446	78,076	14,707	52,321	193,356	308	444	2,012	58,681	161,957	589,480	640	3,369	13,674
N. C.	2,836	6,806	16,236	1,731	8,855	19,572	191	597	1,440	939	2,381	4,406	3,638	18,441	40,920
N. Dak.	2,212	4,018	12,309	1,402	6,400	16,168	28	77	198	1,119	3,407	7,710	13	48	94
Ohio	7,102	11,949	42,111	4,131	18,270	56,928	537	1,122	3,961	14,639	33,090	101,515	189	1,080	2,460
Okla.	21,601	48,911	130,584	8,409	42,354	94,585	791	2,705	6,860	925	1,845	4,102	1,321	5,290	11,824
Pa.	6,388	7,990	36,406	11,319	48,670	140,436	936	1,106	4,931	9,541	23,415	75,638	.....	.....	.....
S. C.	1,898	3,457	7,548	785	3,872	7,246	88	187	394	306	633	1,307	240	892	2,051
S. Dak.	3,950	7,188	23,176	953	4,298	10,342	44	130	398	683	2,233	5,409	20	87	204
Tenn.	3,536	9,467	26,932	4,050	20,516	48,454	219	731	1,949	705	2,054	4,436	1,237	5,510	13,814
Tex.	7,218	19,095	55,957	2,537	12,745	30,810	398	1,217	3,474	2,541	6,394	21,260	10,799	52,959	132,331
Utah	2,247	2,946	10,875	1,351	5,950	16,666	34	67	254	1,187	2,672	9,235	.....	.....	.....
Va.	1,029	1,819	4,785	807	3,919	9,206	79	175	444	570	1,174	2,934	187	940	2,188
Wash.	14,979	22,063	95,914	2,537	10,455	33,697	180	278	1,163	2,860	5,507	20,176	.....	.....	.....
Wis.	3,697	7,114	28,700	2,618	11,121	37,257	123	326	1,240	2,174	6,666	19,446	412	2,395	3,811
Wyo.	1,159	1,712	5,774	314	1,457	3,430	43	101	286	185	295	834	123	622	1,405

[1] In addition, 33,688 cases with workers employed on WPA projects and 502 cases aided by other Federal agencies received blue stamps valued at $416,980 and $4,612, respectively.

[2] Excludes Alaska, District of Columbia, Hawaii, and West Virginia which did not participate in the stamp plan and the following 7 States for which data by category are not available: Maine, Maryland, New Hampshire, New Jersey, Oregon, Rhode Island, Vermont.

[3] Total for 39 States; Delaware does not have a program for aid to the blind.

[4] Total for 30 States; 10 States did not give stamps to "non-assistance" cases.

Source: Food Distribution Administration, Civilian Food Requirements Branch.

assistance participated in the stamp plan in December 1942 but this number represented only 10.8 percent of all recipients in the 40 States. Only about 11.5 percent of the cases receiving aid to the blind benefited under the plan. However, even though loss of food purchased with free stamps will in general be less serious for these aged and blind recipients, some agencies with limited funds report that suspension of the stamp plan will represent a serious loss to them also.

"Non-assistance" families.—Under certain circumstances, free blue stamps were given to needy families unable to meet the purchase requirements for orange stamps. These families included those for whom general assistance was not available in the community or who had a member awaiting assignment to WPA, or, in a few instances, those who could not be added to the rolls for one of the special types of public assistance because funds were not available to care for all eligible cases. In December 1942, free stamps were the only aid received by 45,600 "non-assistance" families comprising 215,400 individuals.[8] Almost one-half of these families were in 9 States in the South,[9] and more than one-third lived in 4 States in the Southwest[10] (table 3). The number of such families who received free stamps has decreased during the past year and, as opportunities for employment increase, fewer families doubtless will need assistance to supplement their resources. Nevertheless, needy families to whom the special types of public assistance and general assistance may not be available were considered to be likely to suffer special hardship.

One agency declared that it could assist only a very limited number of these cases through general assistance and that, in submitting budget estimates to the legislature, it had pointed out the effect of loss of food stamps on this particular group. Another agency commented that, since funds are not available to meet the total need of recipients of the special types of assistance, the amount allocated to general assistance is "wholly inadequate" to meet the need. The report from another State in which provision of general assistance is entirely a local responsibility says, "There is little question but that most families that have received free stamps will need assistance which will not be available to them in the local communities."

One State in these regions, which had a small number of "non-assistance" cases receiving stamps, expected to be able to care for all needy cases. On the whole, however, State legislatures and local political units in the Southern and Southwestern States have not provided sufficient funds to extend general assistance to all needy families, and no Federal funds are available for this program. Although families that had relied on food stamps and were in need when the stamps were discontinued were free to request assistance on the same basis as other needy families, the agencies in most of these States expected that little aid would be available to such persons unless they were eligible for the special types of public assistance.

Increases in Amounts Included for Food in Determining Need

Where funds permitted, agencies have increased the amounts included for food in determining need and the amount of the assistance payment. Replies from 39 States indicate that in 31 [11] of them amounts included for food have been increased at least once between January 1, 1942, and April 30, 1943, and in some instances two or three times (table 4). In some States, information was not available for all programs, and, in a few other instances, increases had not been put into effect in all programs. The fact that recommended standards had been revised does not mean in all instances that total requirements determined under these standards were met. Moreover, in some States reconsideration of need in accordance with standards recommended by the State agency is optional with local agencies.

Eight States [12] reported that in determining need amounts included for food have not been increased since January 1942, usually because sufficient funds were not available to meet need. Despite this fact, however, in four of these States average payments for the special types of public assistance increased between January 1942 and May 1943 in amounts ranging from $1 to $5 per

[8] "Non-assistance" cases did not participate in 10 States; also see footnote 3.

[9] Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia.

[10] Arkansas, Louisiana, Oklahoma, Texas.

[11] Excludes one State that increased amounts included for food in determining need for general assistance. The agency which administers the three special types of public assistance reported no increase

[12] Includes one State that increased amounts included for food in determining need for general assistance.

case per month. Similar increases in aid to dependent children occurred in three additional States. These increases are a result of several factors, including changes in the percentage of total requirements to be met by assistance and other resources, inclusion of additional items in the assistance plan, or, possibly, more liberal interpretation of agency regulations regarding items and amounts to be considered in determining need.

There has been an upward trend in the average monthly payment to recipients under each of the four assistance programs, but the increases have varied widely among States and among programs within States. For example, the average monthly payments to families receiving aid to dependent children in one State was $19.33 higher in May 1943 than in January 1942, but in 14 States the increases during this period were less than $2. Similar but less extreme variations have occurred in the other assistance programs.

These increases are not, of course, an exact measure of the extent to which the effect of the increased cost of living on the needs of recipients is being taken into account, since there have doubtless been changes in the resources available

Table 4.—*Dates of increases in the amount of money included for food in determining need, by State and program, January 1942–April 1943*

State	Dates of increases			
	Old-age assistance	Aid to dependent children	Aid to the blind	General assistance
Alabama	A suggested food guide is used in the counties. Unit food costs are revised locally to conform to local prices [1]			
Arizona	July and September 1942	July and September 1942	July and September 1942	July and September 1942
Arkansas	June 1942	June 1942	June 1942	No increase [2]
California	First budget guide adopted October 1942	May 1942 to March 1943 (Dates varied among 7 counties reporting)	(3)	May 1942 to March 1943 (Dates varied among 7 counties reporting)
Colorado	(4)	January 1943	January 1943	January 1943
Connecticut	April 1942 and January 1943	April 1942 and January 1943	April 1942 and January 1943	For 2 cities reporting, October 1942 and March 1943, respectively
Delaware	(4)	June and November 1942	.....	March 1943
Florida	No increase	No increase	No increase	(4)
Georgia	July 1942	July 1942	July 1942	During 1942 in 6 of 7 counties reporting
Idaho [5]	No increase	No increase	No increase	(4)
Illinois	March 1942 and January 1943	March 1942 and January 1943	(4)	Dates vary by county
Kansas	January 1943	January 1943	January 1943	January 1943
Louisiana	March 1943	March 1943	March 1943	March 1943
Maine	March 1943	March 1943	March 1943	(4)
Maryland (4 counties).	3 counties reporting increased amounts on January 1942, January 1943, and March 1943, respectively; last increase in 1 county in December 1941			
Massachusetts	Twice in 1942 and in January 1943	Twice in 1942 and in January 1943	March 1943	Twice in 1942 and in January 1943
Michigan	October 1942 and February 1943	October 1942 and February 1943	October 1942 and February 1943	During last 6 months in most counties
Mississippi	March 1942	March 1942	March 1942	(4)
Missouri	March and December 1942	March and December 1942	(4)	March and December 1942
Montana	February 1943	February 1943	February 1943	February 1943
Nebraska	March 1942 and February 1943	March 1942 and February 1943	March 1942 and February 1943	Dates vary by county [6]
Nevada	July 1942	(4)	(4)	(4)
New Hampshire [7]	November 1942	November 1942	Date not reported	(4)
New Jersey [8]	No increase	No increase	No increase	November 1942
New Mexico	July 1942	July 1942	July 1942	July 1942
New York (3 cities)	August 1942 and April 1943 in 1 city; March 1943 and April 1943, respectively, in the other 2 cities reporting			
North Carolina	No increase	No increase	No increase	No increase
Oklahoma [9]	No increase	No increase	No increase	(4)
Pennsylvania [8]	December 1942	August and December 1942	(4)	August and December 1942
Rhode Island	January 1943	January 1943	January 1943	January 1943
South Carolina [9]	No increase	No increase	No increase	No increase
South Dakota	November 1942	November 1942	November 1942	(4)
Tennessee [10]	No increase	No increase	No increase	(4)
Texas [11]	No increase	No increase	No increase	(4)
Vermont	December 1942	January 1943	January 1943	(4)
Virginia	October 1942	October 1942	October 1942	October 1942
Washington	April 1943	April and November 1942, and April 1943	April 1943	April and November 1942, and April 1943
Wisconsin	January 1942 and March 1943	January 1942 and March 1943	January 1942 and March 1943	January 1942 and March 1943
Wyoming	October 1942	October 1942	October 1942	October 1942

[1] In general, funds have not been available to increase payments.
[2] Amounts allotted to the counties for general assistance were increased during the winter months of 1942–43 in recognition of increased living costs.
[3] Amounts of payments not determined on a budget basis.
[4] Not available. In some instances, need and amount of payments not determined on a budget basis.
[5] Last increase for the special types of public assistance: Idaho, October 1941; New Jersey, 1939; Oklahoma, April 1941.
[6] Some counties use standards prescribed by the State department for the special types of public assistance; other counties increased amounts for food following discontinuance of the stamp plan.
[7] In the spring of 1942 adjustments were made to compensate for increased cost of milk.
[8] On April 28, 1943, an increase of 20 percent in amounts included for food was announced, the increase to be effective June 1, 1943.
[9] Last increase July 1941.
[10] Last increase for the special types of public assistance, May 1940. A new food schedule with increased amounts included for food will be effective June 1, 1943.
[11] Last increase for old-age assistance, 1938.

to some families, in the size of families (particularly those receiving general assistance),[13] and in other factors. Nevertheless it is obvious that unless average family resources have increased to a marked degree, the small increases that have been made in a number of States are inadequate to compensate for higher living costs. One State in the Northeast, for example, reported that food allowances established in 1941 were increased by 10 percent in 1943, the amount permitted by the State appropriation. Since this increase does not cover the increased cost of food, however, the agency added that suspension of the stamp plan will mean that many recipients are "inadequately fed."

Plans for Further Adjustments

Any plans of the agencies to make further increases in the amounts included for food will be related to changes in food prices rather than to discontinuance of the stamp plan. As the plan was not in operation in all areas and not all recipients of assistance participated in the stamp-plan areas, the loss to recipients will be unevenly distributed and difficult to measure. Changes in price levels, on the other hand, affect all families, and the effect of those changes can be measured more satisfactorily. Where funds are available, payments can be adjusted to compensate for higher prices. Reports indicate that such measurement and adjustment is a fairly continuous process in a number of agencies.

In a few instances, action with respect to increases in amounts included for food was accelerated by the announcement of suspension of the stamp plan, and the loss of food obtained with free stamps was taken into consideration. Two large city agencies, for example, stated that recent increases were planned to cover both rising prices and loss of food purchased with free stamps.

Discontinuance of the stamp plan may, in some instances, result in prompter adjustment of payments. Frequently, considerable time has elapsed between an increase in food prices and actual redetermination of need of individual cases to take account of these increased costs. This lag may occur because an agency has failed to adjust cost figures in the standard budget soon after prices have changed significantly or has failed promptly to redetermine need in individual cases on the basis of revised cost figures. One city agency which reported that often several months elapsed after a significant increase in food prices before individual payments to recipients were increased, recognized the need for more rapid adjustment because the stamp plan would no longer act as a shock absorber during this period. One State reported that municipalities that formerly had the stamp plan but had not been making payments to recipients of general assistance to meet 100 percent of requirements under State standards are now approaching that standard.

In preparing budget estimates for State legislatures, a few agencies included loss of food stamps as one justification for increases in individual payments. On the whole, however, increases in amounts included for food in determining assistance payments and requests for funds to make them possible were based on current costs of goods and services included in the assistance plan and were not related to loss of resources previously available through supplemental programs. In some States, budget estimates had been submitted prior to the announcement that the stamp plan was to be discontinued.

Availability of Funds to Effect Further Adjustments in Payments

During a period of rapidly rising prices, when the amount required to meet minimum needs of individual recipients changes frequently, the provision of funds to effect adjustment in payments is of prime importance. In recent months the decrease in case loads without a corresponding decrease in revenues has released a growing volume of funds for this purpose in many States. Moreover, assistance agencies have recognized their responsibility to provide assistance to needy families in amounts sufficient to meet the deficit between their requirements and resources and have requested appropriations adequate for this purpose. A number of State and large city and county agencies believe that the funds appropriated will enable them to increase payments to meet rising prices. On the other hand, under existing legislation and appropriations, some agencies cannot adjust payments to meet increased costs of food and other items.

Lack of funds to increase payments were reported most frequently by States in the South and

[13] See "Hidden Declines in General Assistance Rolls," the Bulletin, October 1943, pp. 27-28.

Southwest. Four of six States that reported no funds for increased payments under any program were in these regions, as were five of the seven State agencies that planned to increase payments but reported that it would not be possible to meet the total need of recipients under all programs. One State that makes generous payments to recipients of old-age assistance did not expect to have funds to meet the budget deficits of families receiving general assistance. Inadequate funds for general assistance will also affect families receiving aid to dependent children who have previously received supplemental payments under the general assistance program.

A number of agencies reported that, even though they are unable to increase payments to meet total need of recipients, the agency practice is to revise the standard budget guide to reflect current cost of items included in the budget. Two agencies, for example, recently raised their standard budget to a more nearly adequate level, even though funds were not available to meet total need determined under previous standards. One State agency in the South issues a "suggested food guide," and cost figures are revised locally to conform to local prices, despite the fact that, in general, most counties do not have the funds to increase payments. Another agency, which has not increased amounts included for food since 1941, is conducting a study of food prices, although it has little immediate hope of obtaining additional funds to meet increased costs.