



Thursday, Nov. 18, 2010

## Thousands in Merced County eligible for food stamps do not apply for them

**This is harmful to economy, as the county loses out on millions of federal dollars.**

By JONAH OWEN LAMB  
[jlamb@mercedsun-star.com](mailto:jlamb@mercedsun-star.com)

Merced County is losing out on millions of federal dollars each year because thousands of people eligible for food stamps aren't applying for them.

That puzzling conclusion comes from a study released Wednesday by California Food Policy Advocates, an Oakland-based antipoverty advocacy group.

The study found that despite rapid increases in food stamp use because of the recession, Merced County is losing an estimated \$29.6 million in federal benefits every year because thousands of people who could get food stamps aren't using them.

"Leaving these federal funds untapped doesn't just hurt struggling households, it hurts our economy as well," said Tia Shimada, nutrition policy advocate at CFPA and author of the report. "Every dollar in CalFresh (the state-administered food stamp program) benefits generates \$1.79 in economic activity. Merced County forgoes as much as \$52.0 million in annual economic activity because of low participation in CalFresh."

Nicole Pollack, Merced County's deputy director of the Human Services Agency, said there's no question that there are a lot of people eligible for food stamps who don't use the program. Among the 60,000 or so people who live below the poverty line in the county, nearly 20,000 aren't getting food stamps, she said.

That's where the loss of federal dollars is that would otherwise be spent in Merced County stores, said Pollack.

The food stamp economic multiplier is huge, she added. It's her hope that everyone eligible will use food stamps, since they not only help increase their family's nutrition, but also help the local economy.

The positive economic impact of food stamps is borne out in a 2009 Moody'sEconomy.com paper on the economic impact of certain kinds of stimulus. The paper pointed out that for every \$1 spent on increased food stamp aid, \$1.73 in economic activity is created. The logic of such spending is that putting money into the hands of people who will spend it rather than save it stimulates the economy. The paper said the stimulating effects of increasing food stamp aid is higher than any other form of stimulus, including tax cuts and unemployment insurance.

In 2009, the federal government spent more than \$53 billion on food stamps, or the Supplemental Nutritional Aid Program. That was a \$16 billion increase from the year before, according to the U.S. Department of Agriculture.

But some, such as former Republican House of Representatives Speaker Newt Gingrich, disagree with the assumption that food stamp dollars translate into expanded economic benefits. In a refutation of the economic logic of food-stamps-as-stimulus, Gingrich said the idea that one dollar in food stamps somehow turns into \$1.79, makes no sense. Gingrich's assertions weren't backed up by any economic studies or statistics.

Reporter Jonah Owen Lamb can be reached (209) 385-244 or [jlamb@mercedsun-star.com](mailto:jlamb@mercedsun-star.com).