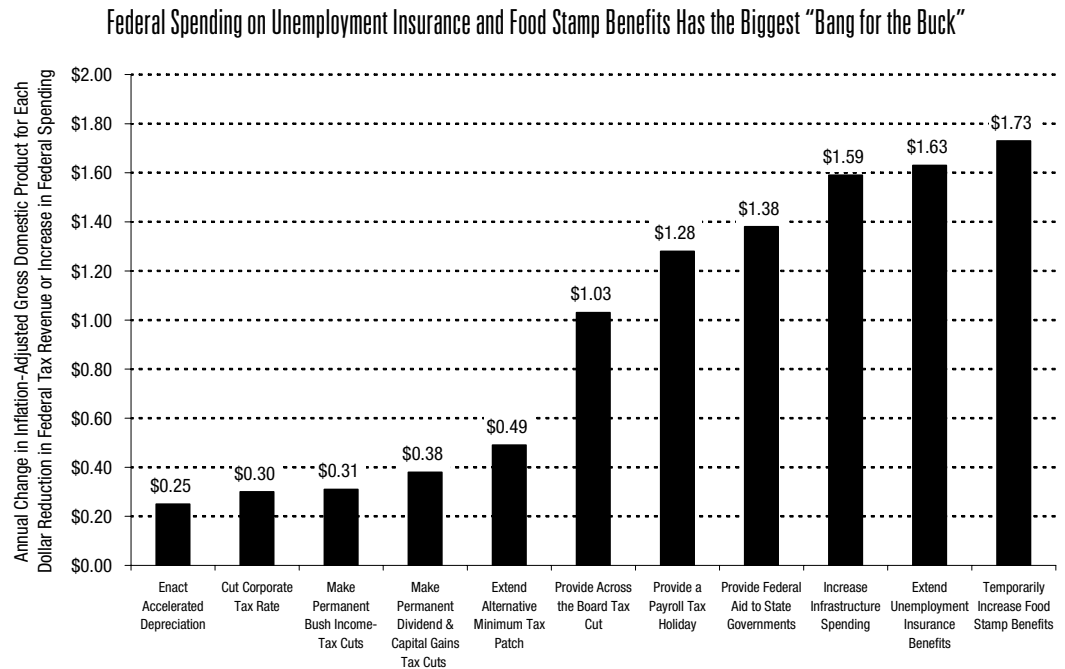


# Federal Spending on Unemployment Insurance and Food Stamp Benefits Has the Biggest “Bang for the Buck”

- Federal spending on Unemployment Insurance (UI) and food stamp benefits provides a greater boost to the economy than other federal economic stimulus options.
- Each additional dollar spent on food stamp benefits boosts economic growth by \$1.73, and every dollar used to extend UI benefits for workers who exhaust their regular 26 weeks of benefits generates \$1.63 in economic activity.
- Mark Zandi, chief economist of Moody’s Economy.com, says boosting food stamp benefits and extending UI benefits are “the most efficient ways to prime the economy’s pump.”
- In contrast, each dollar spent providing many federal tax cuts generates well below a dollar in economic growth. For instance, every dollar used to cut corporate tax rates boosts economic activity by \$0.30.



Source: Moody's Economy.com