



CEGA

Center for Effective Global Action

The Long run effects of childhood exposure to the Food Stamp program

Hilary Hoynes

Professor of Economics and Public Policy

Haas Distinguished Chair of Economic Disparities

Co-Director Berkeley Opportunity Lab

Evidence to Action



October 29, 2019

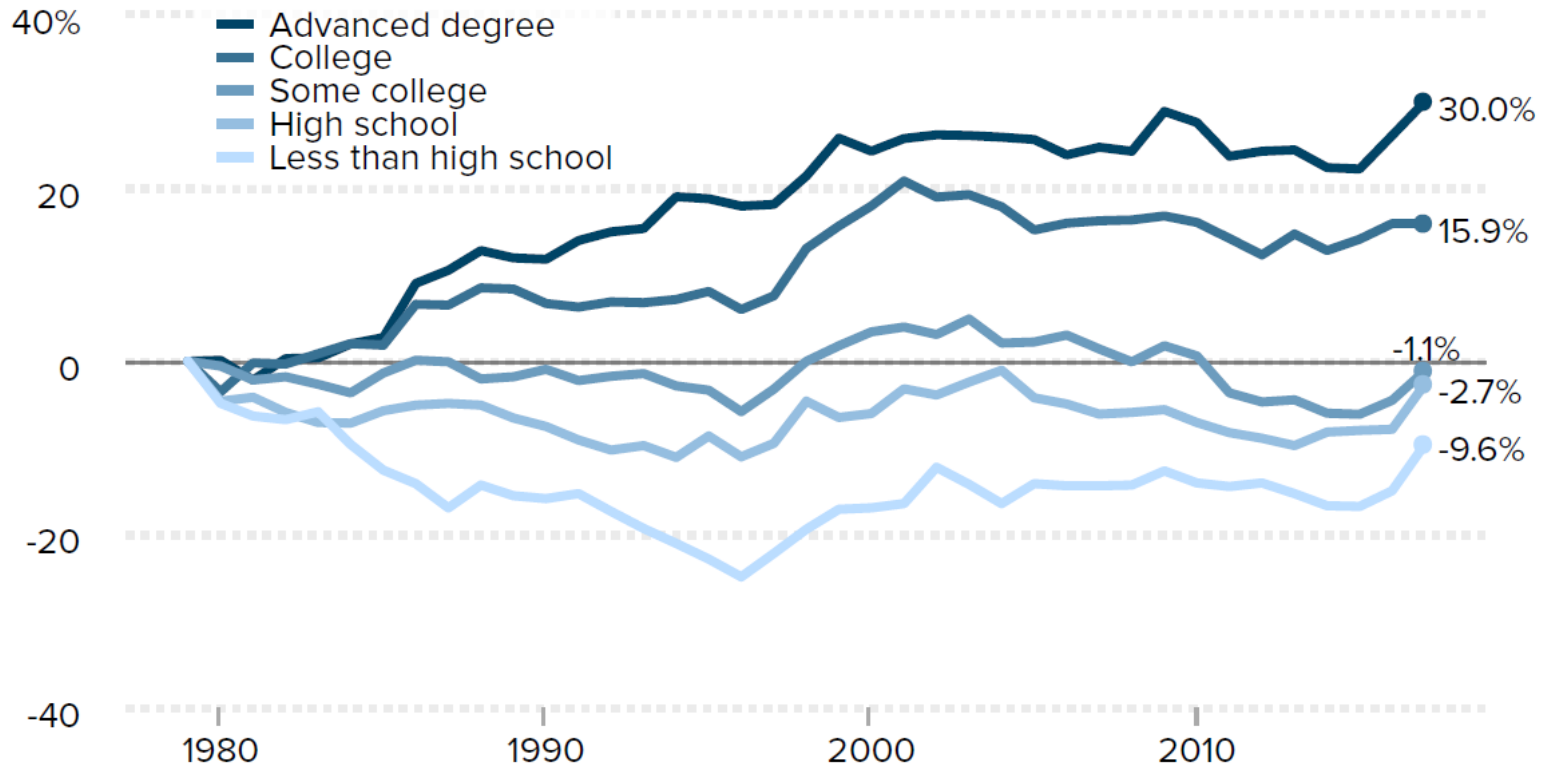
Safety Net Investments in Children

- A common framework for evaluating preschool and other human capital programs is as an investment: Resources are invested upfront that generate returns over the longer run (education, labor market, health).
- Yet we don't apply this thinking to the social safety net
- With recent research we are learning about how and whether these programs affect the life trajectory of children.
- Here I present work on the long run effects of childhood exposure to the food stamp program – a central element of the U.S. social safety net

**(1) THE CONTEXT:
POVERTY AND THE SOCIAL SAFETY NET**

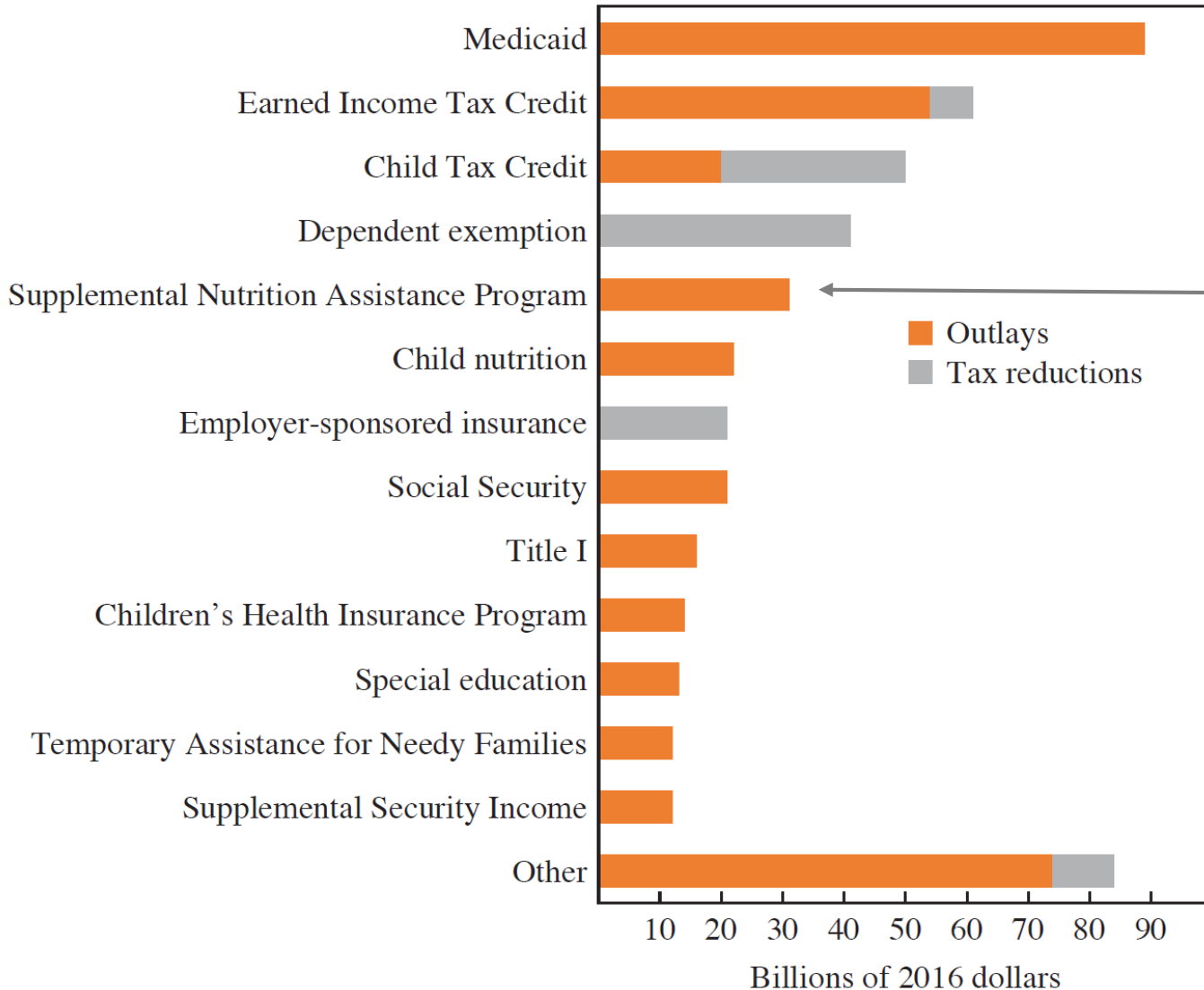
Stagnating Earnings for Many Americans

Cumulative percent change in inflation-adjusted median hourly wages for all workers by education level, 1979–2017



Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata

Figure 1. Spending and Tax Programs with the Highest Federal Expenditures on Children, 2016



What programs serve families with children?

Food Stamps plays a major role

Social Safety Net Reduces Child Poverty

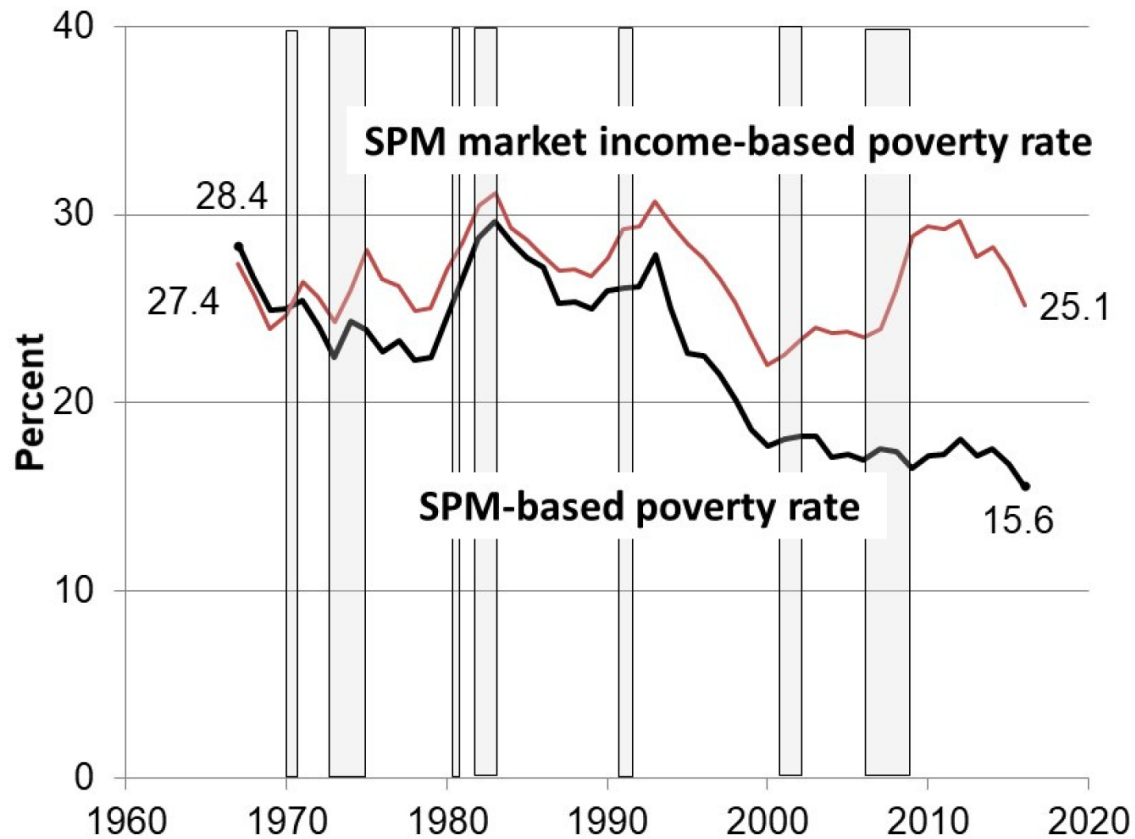
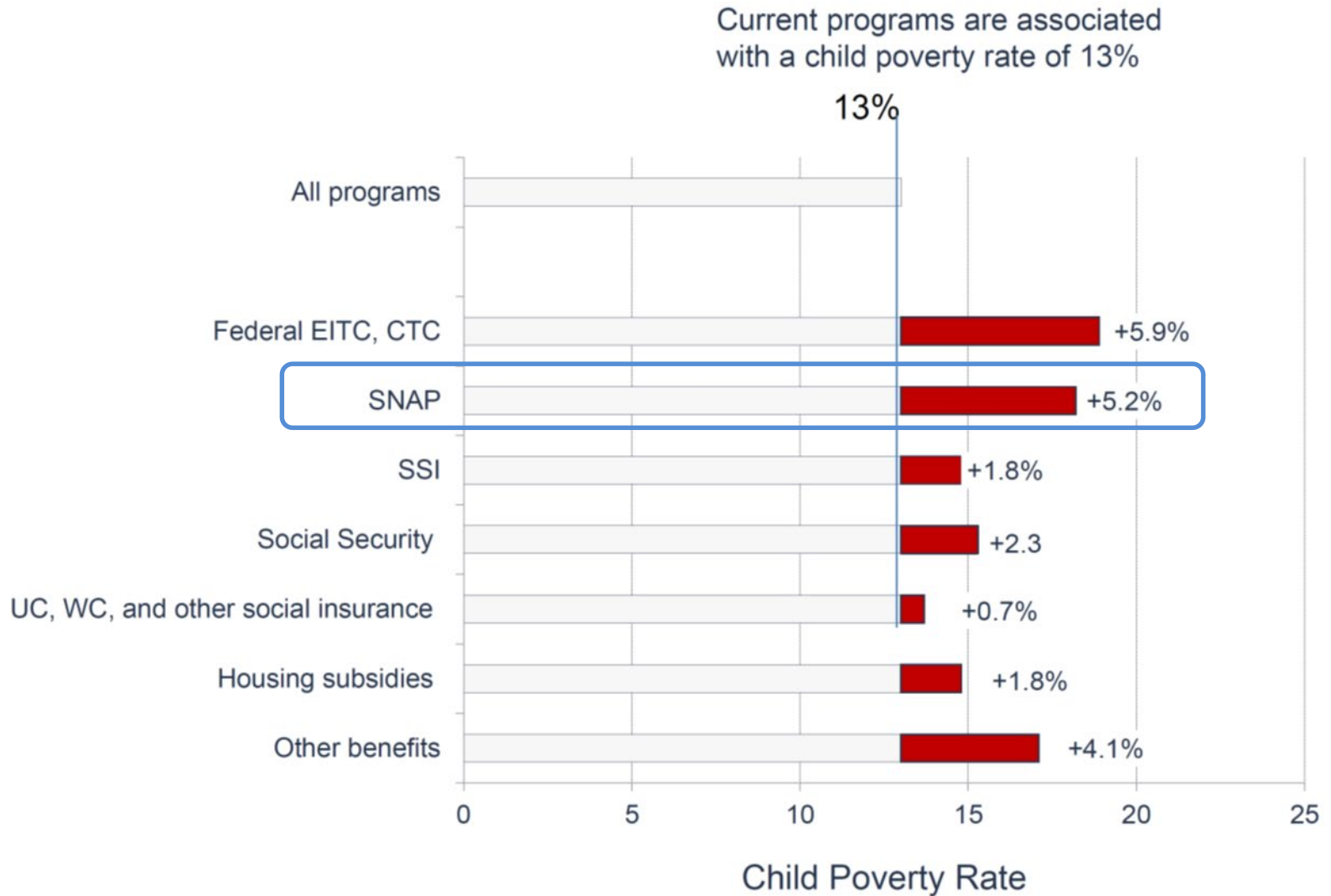


FIGURE 4-1 Child Poverty Rates, Before and After Taxes and Transfers, 1967–2016.

After the EITC, **SNAP lifts more children** out of poverty than any other program (2015)



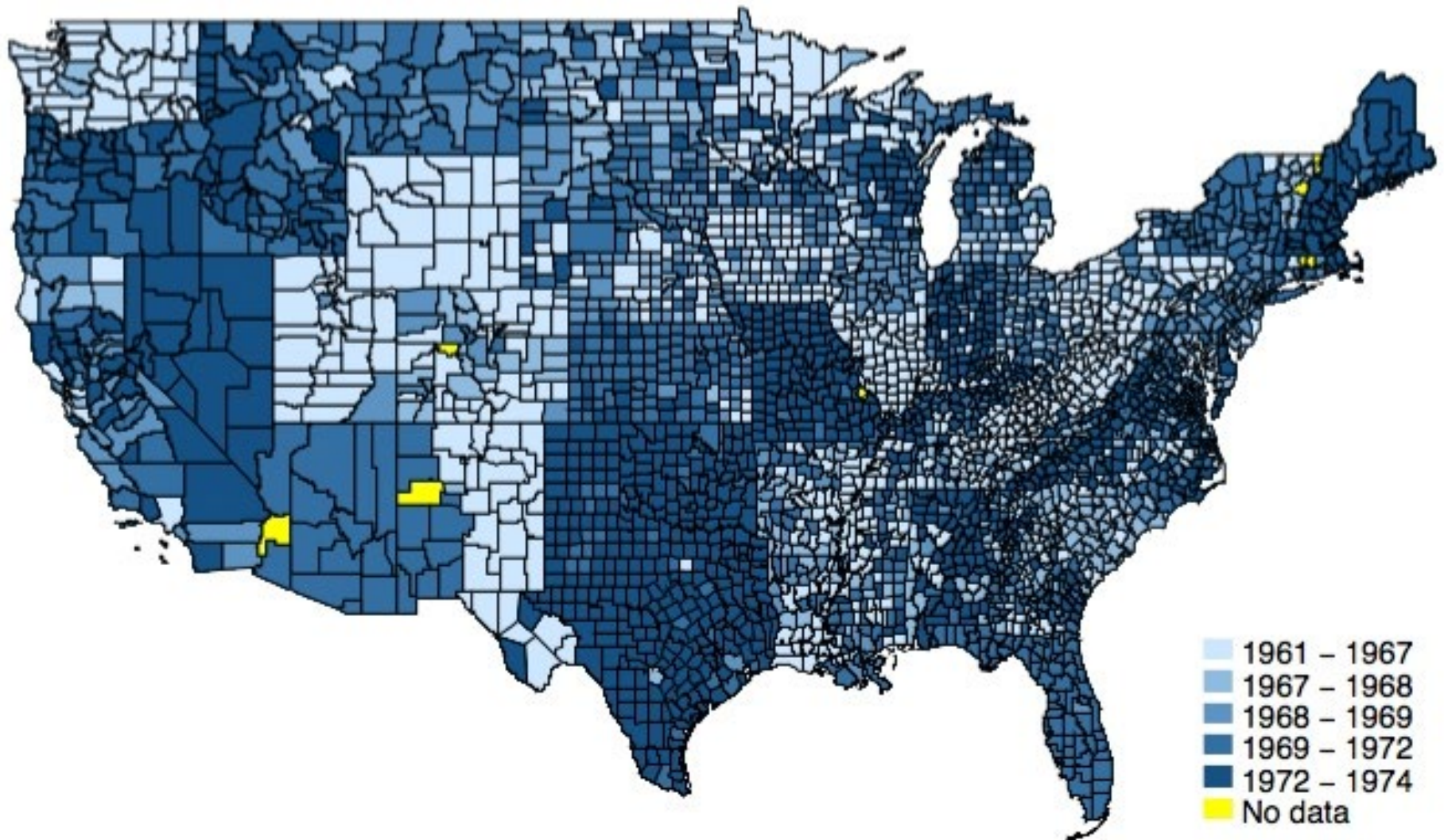
Source: A Roadmap to Reducing Child Poverty, NAS, 2019.

(2) THE FOOD STAMP PROGRAM AND HISTORICAL ROLLOUT

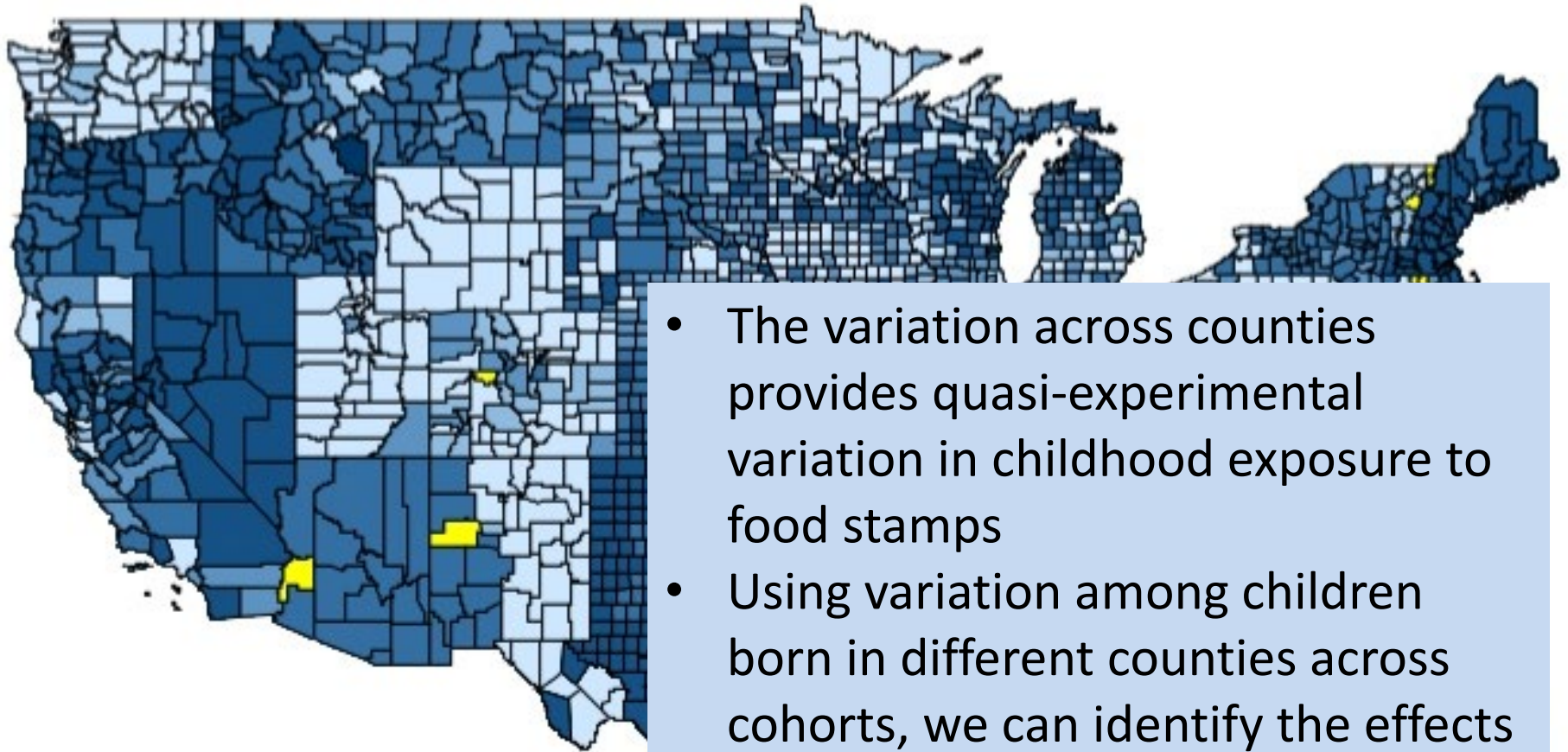
Supplemental Nutritional Assistance Program

- Previously known as Food Stamps
- In FY2018, SNAP served 40.3 million people in 20 million households at a cost of \$65 billion dollars
- Average monthly benefit \$252 per household, About \$4 per person per day
- Means tested: eligibility requires gross monthly income to be below 130 percent of poverty; phased out at 30%
- Benefits are vouchers that can be used at grocery stores
- Available nationally since 1975; federal program with little variation across local areas

To investigate the long run effects of Food Stamps, we leverage the **across county rollout** between 1961 and 1975



To investigate the long run effects of Food Stamps, we leverage the **across county rollout** between 1961 and 1975



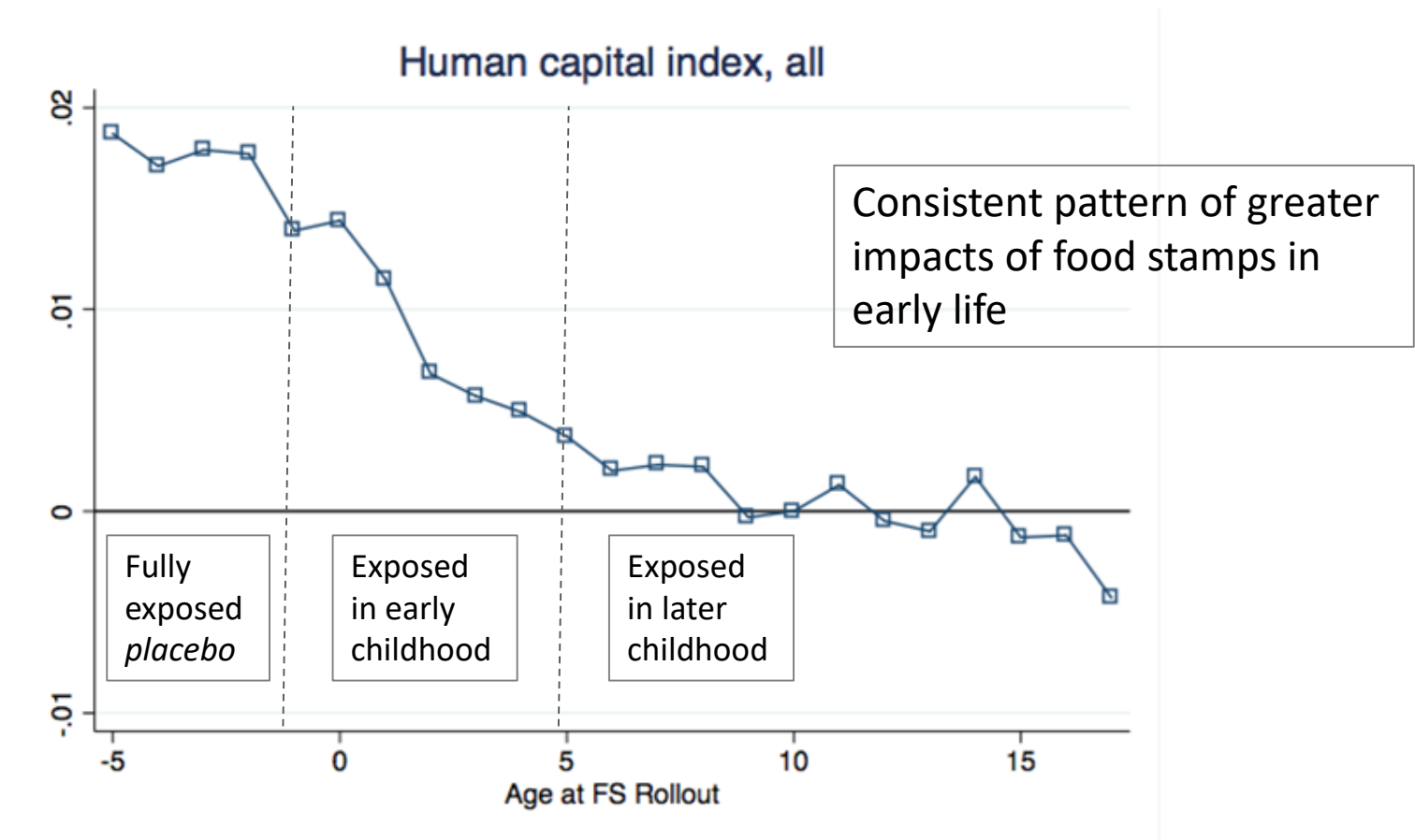
- The variation across counties provides quasi-experimental variation in childhood exposure to food stamps
- Using variation among children born in different counties across cohorts, we can identify the effects of childhood exposure in the long run (e.g. as old as their mid-50s).

(3) RESULTS

Data, Sample and Outcomes

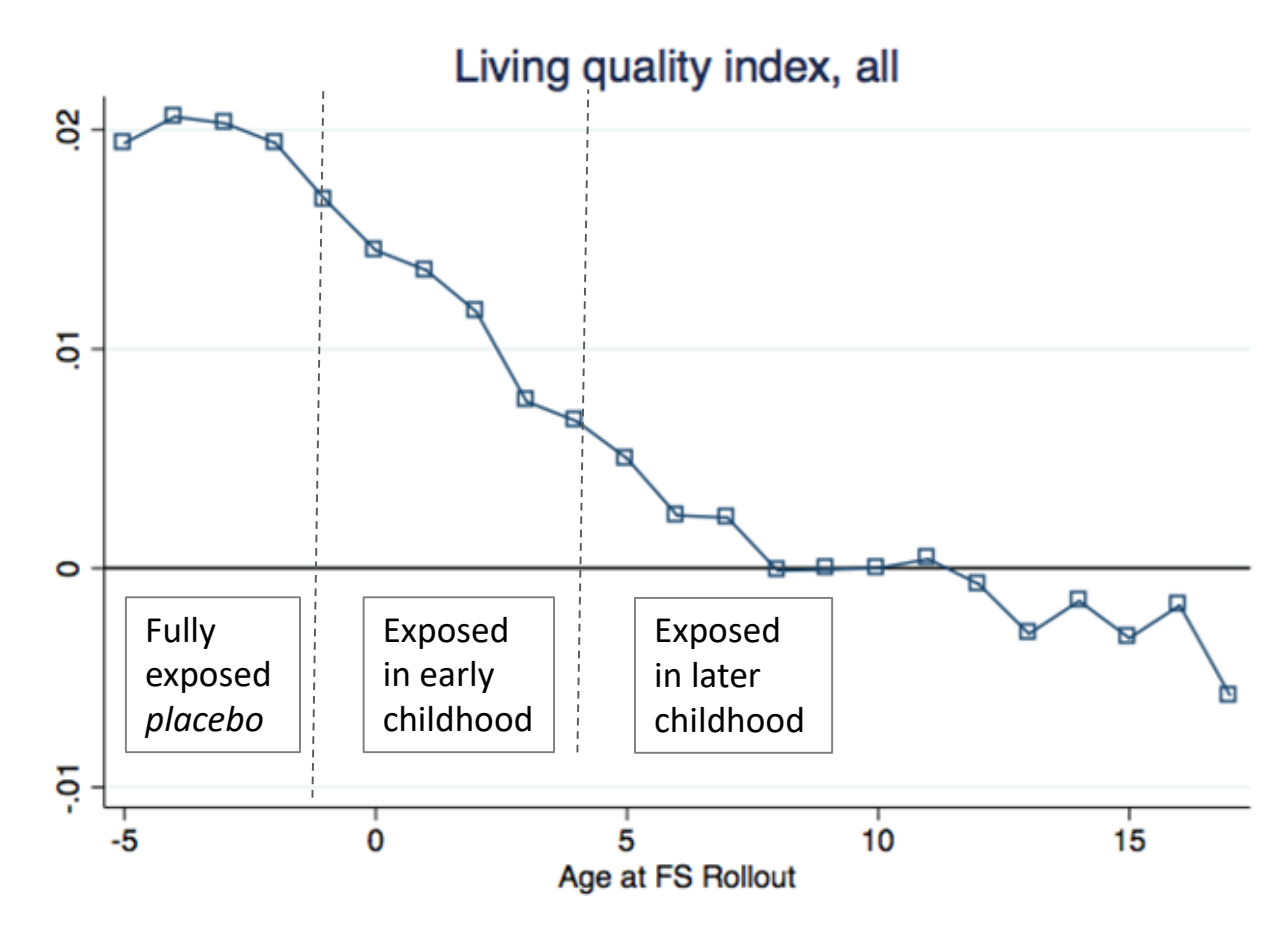
- Data: 2000 Census 1-in-6 sample and 2001-2013 ACS linked to the Social Security Administration *NUMIDENT* file, which records date and place of birth and death
- Individuals born in the U.S. between 1950 and 1980 observed at ages 25-54
- Estimation sample: >17 million individuals of linked survey-administrative data
- Examine a comprehensive set of outcomes: economic well-being, neighborhood quality, disability, mortality, incarceration
- To handle multiple outcomes: we construct indices equal to average of standardized outcomes (using mean and SD of untreated cohorts)

Food stamps in early childhood leads to improvement in human capital



Human capital index: completed schooling, professional degree, professional occupation
In standard deviation units

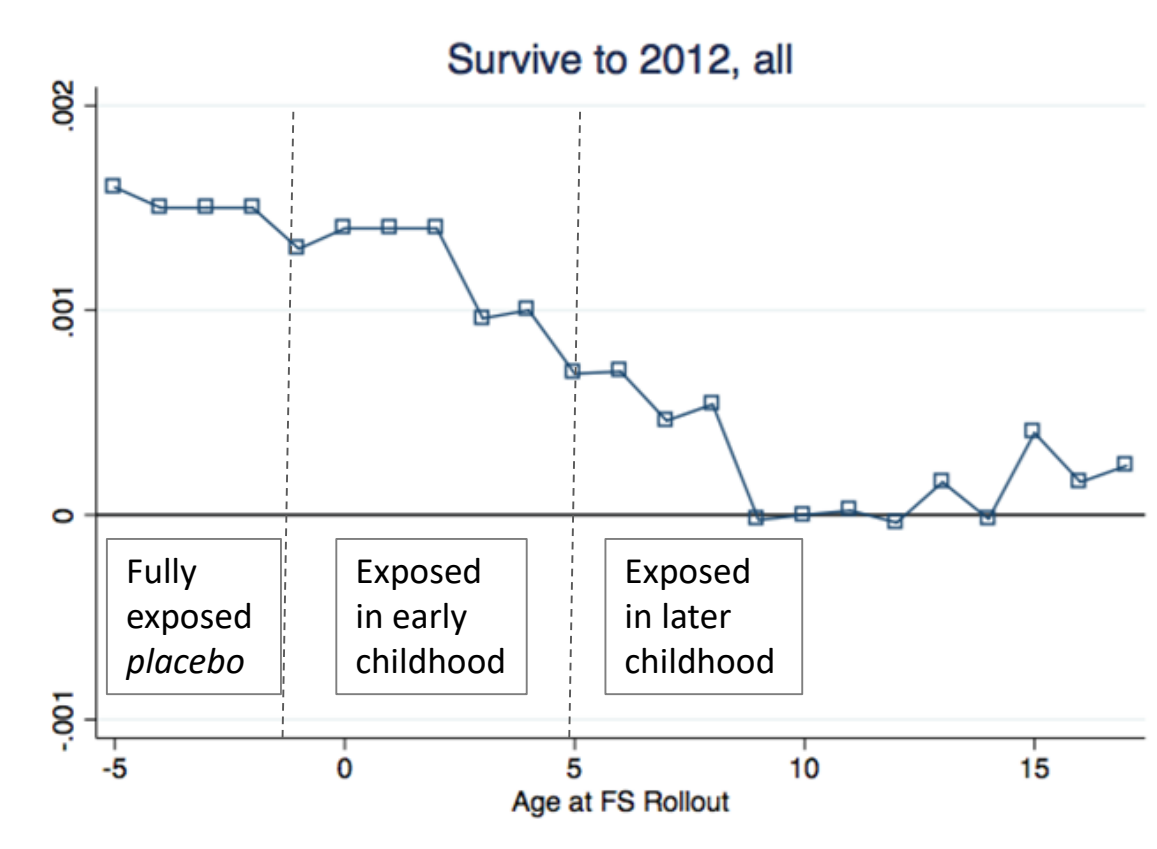
Food stamps in early childhood leads to improvement in neighborhood quality



Living quality index: home ownership (and value), single family residence, census tract characteristics (child poverty, teen pregnancy, share home owners, etc), county upward mobility (Chetty et al 2014)

In standard deviation units

Food stamps leads to a reduction in mortality



Note: Outcome is the share in the cell that survived to 2012 (mean=0.96).
In percentage point units

Magnitudes for LR Effects of Food Stamps

- Exposure to FS from conception to age 5 for those affected by the program leads to:
 - 0.06 SD increase in human capital index
 - 0.07 SD increase in neighborhood quality index
 - 0.4 percentage point increase in survival (11% reduction in mortality)
 - 0.5 percentage point increase in not being incarcerated
- For comparison the effects on human capital are a bit smaller than effects of Head Start; the effects on mortality are a bit larger than having access to Medicaid over the same period.

(4) CONCLUDING THOUGHTS

The social safety net as an investment

(See Hoynes and Schanzenbach 2018 for review)

- We have growing evidence that childhood access to social safety net programs improve adult outcomes
 - Cash welfare, the Earned Income Tax Credit, Medicaid, Public Housing
- These and other policies are summarized by Hendren and Sprung-Keyser (2019) comparing long run government benefits relative to the costs across programs
- This work shows that the benefits of safety net are broader than previously thought: generating long-term private and public benefits
- A practical challenge for evidence based policy making - costs are easily measured today but many of the benefits are harder to measure and may not appear until the longer run