



INSTITUTE *for*
RESEARCH *on*
POVERTY

UNIVERSITY OF WISCONSIN-MADISON

SNAP Matters:

How Food Stamps Affect Health and Well Being

Judith Bartfeld

Craig Gundersen

Timothy Smeeding

James P. Ziliak

December 2, 2015

Webinar begins at 2:00 p.m. CST/3:00 P.M. EST



Judith Bartfeld

Professor and Food Security Research Specialist, University of Wisconsin–Madison



Craig Gundersen

Soybean Industry Endowed Professor of Agricultural Strategy, University of Illinois



Timothy Smeeding

Arts and Sciences Distinguished Professor of Public Affairs and Economics, University of Wisconsin–Madison



James P. Ziliak

Carol Martin Gatton Endowed Chair in Microeconomics, Director of the Center for Poverty Research at the University of Kentucky

Acknowledgements



United States Department of Agriculture
Economic Research Service



THE ANNIE E. CASEY FOUNDATION



FORD FOUNDATION



UNIVERSITY OF KENTUCKY
CENTER FOR POVERTY RESEARCH



Office of the Assistant Secretary for
Planning and Evaluation

Anonymous Donor

Four new policy briefs Available at irp.wisc.edu

INSTITUTE FOR RESEARCH ON POVERTY

The Basics of SNAP Food Assistance

Focus on Policy No. 6, November 2015

OVER THE PAST 50 YEARS, the Supplemental Nutrition Assistance Program (SNAP) has evolved from a small pilot program to a critical employment and safety net. It is a cornerstone of the federal safety net, and it has become the largest of the federal safety net programs. SNAP is a federal program that provides food assistance to eligible low-income individuals and households. It is a federal program that provides food assistance to eligible low-income individuals and households. It is a federal program that provides food assistance to eligible low-income individuals and households.

How SNAP Works

SNAP provides monthly benefits to eligible households. The amount of benefits is based on the household's net income and the number of people in the household. SNAP benefits are used to purchase food at authorized food retailers. SNAP benefits are used to purchase food at authorized food retailers. SNAP benefits are used to purchase food at authorized food retailers.

SNAP Stats

SNAP participation and cost increased from 1980-2013

What the Research Says

- SNAP participation has increased significantly since 2008, reaching 25.1 million people in 2013.
- SNAP participation is highest among African American households, followed by Hispanic households, and then White households.
- SNAP participation is highest among households with children, followed by households with elderly members, and then households with no children or elderly members.
- SNAP participation is highest among households with lower net income, followed by households with higher net income, and then households with no net income.
- SNAP participation is highest among households with lower education levels, followed by households with higher education levels, and then households with no education levels.

Institute for Research on Poverty | University of Wisconsin-Madison | 1312 South Social Science Building | 1180 Observatory Drive | Madison, WI 53706

INSTITUTE FOR RESEARCH ON POVERTY

SNAP Trends and Antipoverty Impacts

Focus on Policy No. 7, November 2015

Economic and Policy Environment Trends

The macroeconomy: The 2008-2013 recession led to a sharp decline in the unemployment rate, with the rate falling from 10.3% in 2003 to 7.6% in 2013. The recovery has been uneven, with the rate remaining above 7% through 2013. The recovery has been uneven, with the rate remaining above 7% through 2013.

SNAP Demand

SNAP participation and cost increased from 1980-2013

What the Research Says

- SNAP participation has increased significantly since 2008, reaching 25.1 million people in 2013.
- SNAP participation is highest among African American households, followed by Hispanic households, and then White households.
- SNAP participation is highest among households with children, followed by households with elderly members, and then households with no children or elderly members.
- SNAP participation is highest among households with lower net income, followed by households with higher net income, and then households with no net income.
- SNAP participation is highest among households with lower education levels, followed by households with higher education levels, and then households with no education levels.

Institute for Research on Poverty | University of Wisconsin-Madison | 1312 South Social Science Building | 1180 Observatory Drive | Madison, WI 53706

INSTITUTE FOR RESEARCH ON POVERTY

SNAP, Food Security, and Health

Focus on Policy No. 8, November 2015

Measuring SNAP's Impact on Food Security

SNAP participation and cost increased from 1980-2013

What the Research Says

- SNAP participation has increased significantly since 2008, reaching 25.1 million people in 2013.
- SNAP participation is highest among African American households, followed by Hispanic households, and then White households.
- SNAP participation is highest among households with children, followed by households with elderly members, and then households with no children or elderly members.
- SNAP participation is highest among households with lower net income, followed by households with higher net income, and then households with no net income.
- SNAP participation is highest among households with lower education levels, followed by households with higher education levels, and then households with no education levels.

Institute for Research on Poverty | University of Wisconsin-Madison | 1312 South Social Science Building | 1180 Observatory Drive | Madison, WI 53706

INSTITUTE FOR RESEARCH ON POVERTY

SNAP and the Low-Income Safety Net

Focus on Policy No. 9, November 2015

Child Care and Food Assistance

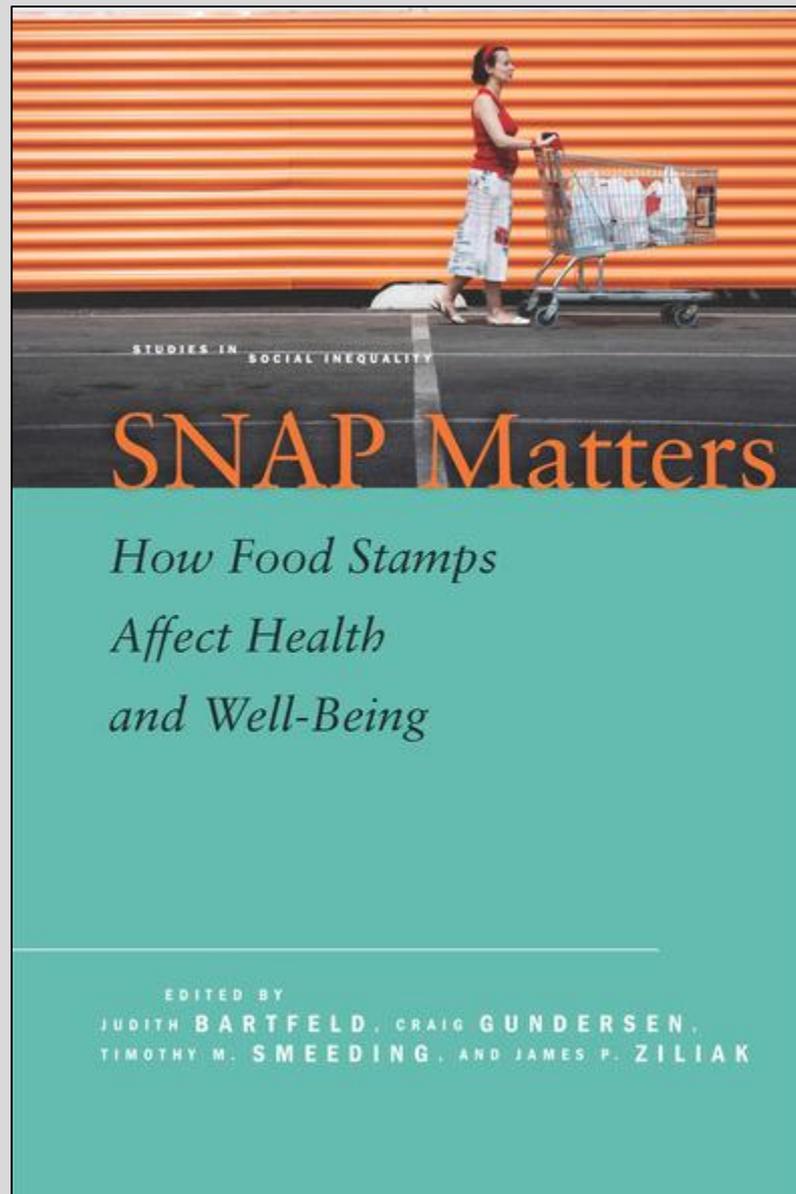
SNAP participation and cost increased from 1980-2013

What the Research Says

- SNAP participation has increased significantly since 2008, reaching 25.1 million people in 2013.
- SNAP participation is highest among African American households, followed by Hispanic households, and then White households.
- SNAP participation is highest among households with children, followed by households with elderly members, and then households with no children or elderly members.
- SNAP participation is highest among households with lower net income, followed by households with higher net income, and then households with no net income.
- SNAP participation is highest among households with lower education levels, followed by households with higher education levels, and then households with no education levels.

Institute for Research on Poverty | University of Wisconsin-Madison | 1312 South Social Science Building | 1180 Observatory Drive | Madison, WI 53706

1. The Basics of SNAP Food Assistance
2. SNAP Trends and Antipoverty Impacts
3. SNAP, Food Security, and Health
4. SNAP and the Low-Income Safety Net



Available at <http://www.sup.org/books/title/?id=24621>

Outline of the Webinar

Introduction

Why have caseloads grown, and what are the antipoverty impacts of SNAP?

Impacts of SNAP on food security, consumption, health, and obesity

SNAP as part of the broader safety net

Table of Contents

Introduction *Judith Bartfeld, Craig Gundersen, Timothy Smeeding, James P. Ziliak*

Antipoverty Effectiveness of SNAP

Why Are So Many Americans on Food Stamps? The Role of the Economy, Policy, and Demographics *James P. Ziliak*

The Effect of SNAP on Poverty *Laura Tiehen, Dean Jolliffe, and Timothy Smeeding*

Consumption and Health Effects of SNAP

The Supplemental Nutrition Assistance Program and Food Insecurity *Christian Gregory, Matthew P. Rabbitt, and David C. Ribar*

SNAP and Food Consumption *Hilary W. Hoynes, Leslie McGranahan, and Diane W. Schanzenbach*

The Health and Nutrition Effects of SNAP: Selection into the Program and a Review of the Literature on Its Effects *Marianne Bitler*

SNAP and Obesity *Craig Gundersen*

SNAP and the Wider Safety Net

SNAP and the School Meal Programs *Judith Bartfeld*

Multiple Program Participation and the SNAP Program *Robert A. Moffitt*

Summary and Conclusion

What is SNAP?

The Supplemental Nutrition Assistance Program (SNAP) is a Federal in-kind assistance program operated by the USDA

Proposed by President Kennedy in 1963, and signed into law by President Johnson with the Food Stamp Act of 1964

Known as the Food Stamp Program until renamed SNAP as part of the 2008 Farm Bill

What are the Program's Goals?

- Section 2 of 7 U.S.C. 2011 states

“... a supplemental nutrition assistance program is herein authorized which will permit low-income households to obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation.”

Eligibility

Unique in the U.S. safety net as a universal entitlement not conditioned on work, family structure, or age.

Must meet 2 income tests (gross and net) and 2 asset tests (liquid assets and vehicle value)

Special rules for 60 and older, disabled, and participants in TANF and SSI

Benefit Levels

Benefits are set at the federal level and vary by household size.

Benefits are the same across the lower 48 states and DC, but higher in Alaska and Hawaii

Amount is based on the Thrifty Food Plan

Minimum monthly benefit in 2015 is \$16 and maximum monthly benefit for a 4-person unit is \$649

How Benefits are Delivered

EBT debit card redeemable at USDA certified outlets (nearly 250,000 outlets nationally)

Can be used to purchase food for home consumption but not alcohol, tobacco, or hot prepared foods for immediate consumption

Participation and Cost

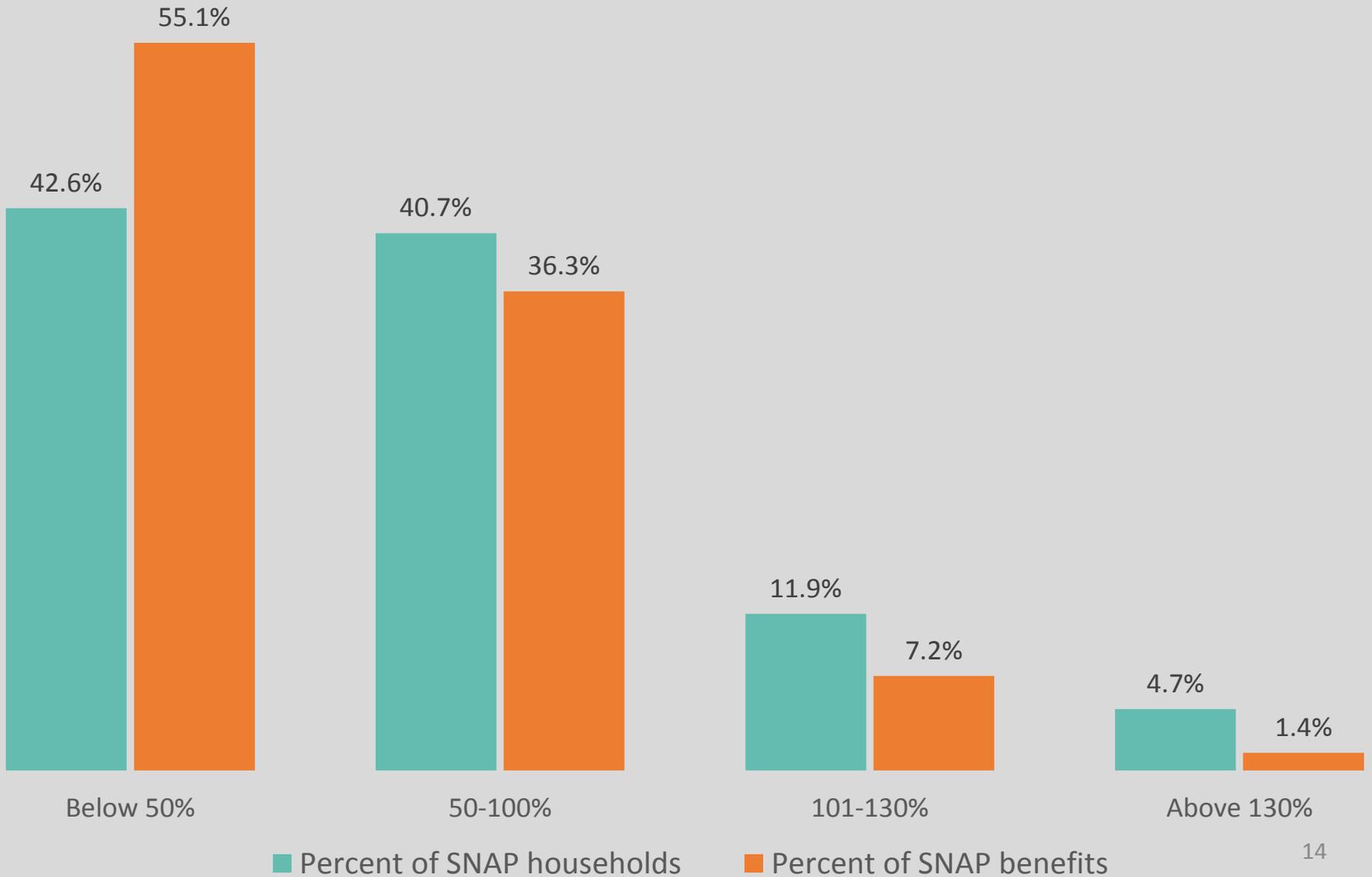
In FY2014 46.7 million people, or 1 out of every 7, received assistance from SNAP

- 164% increase since FY2000

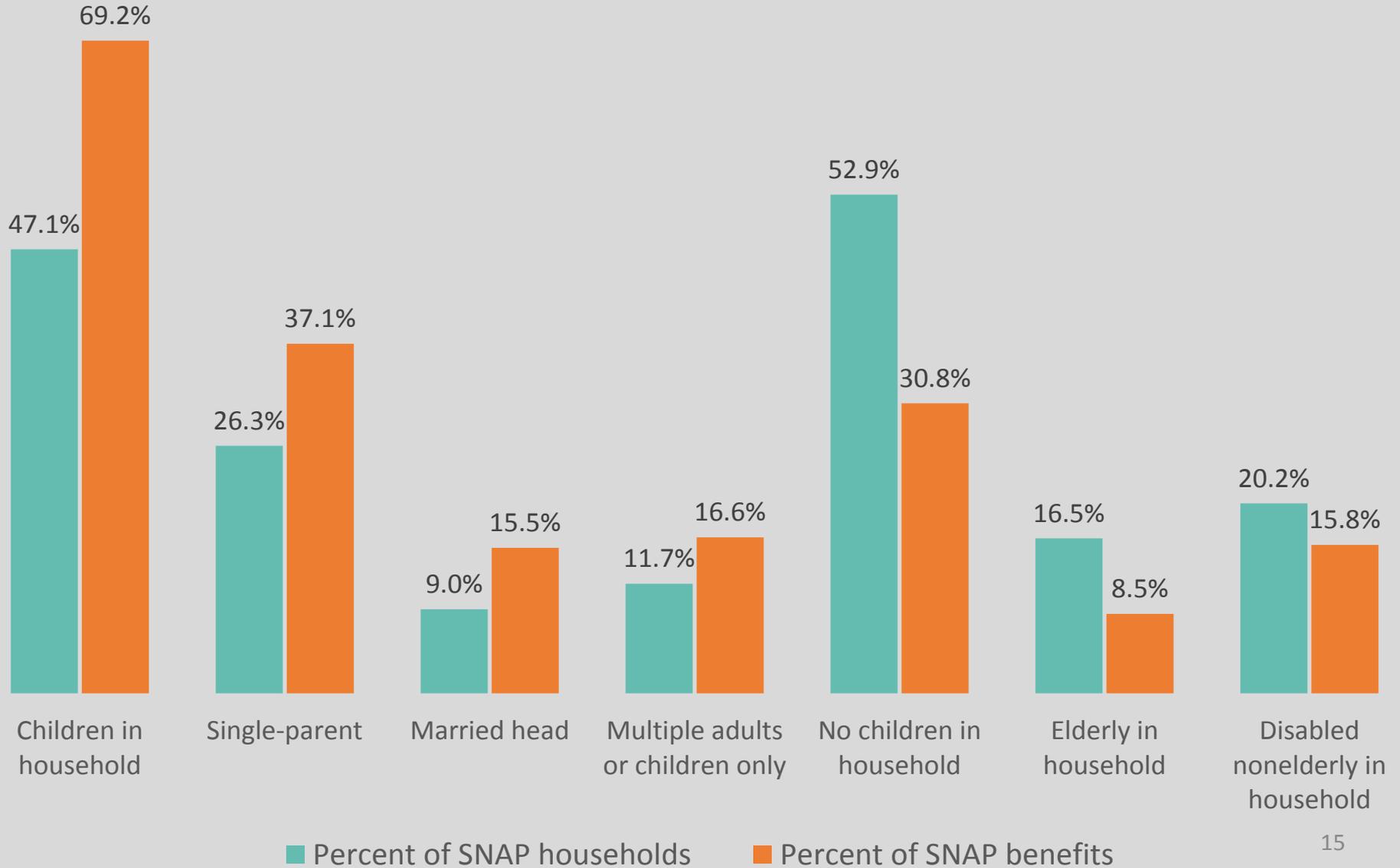
Combined federal and state spending is over \$74.2 billion

- State share is about \$4 billion
- 2nd only to Medicaid among means-tested transfers

Household Income as a Percent of Poverty Guidelines



Household Structure



Why did Participation Increase?

Macroeconomic Forces

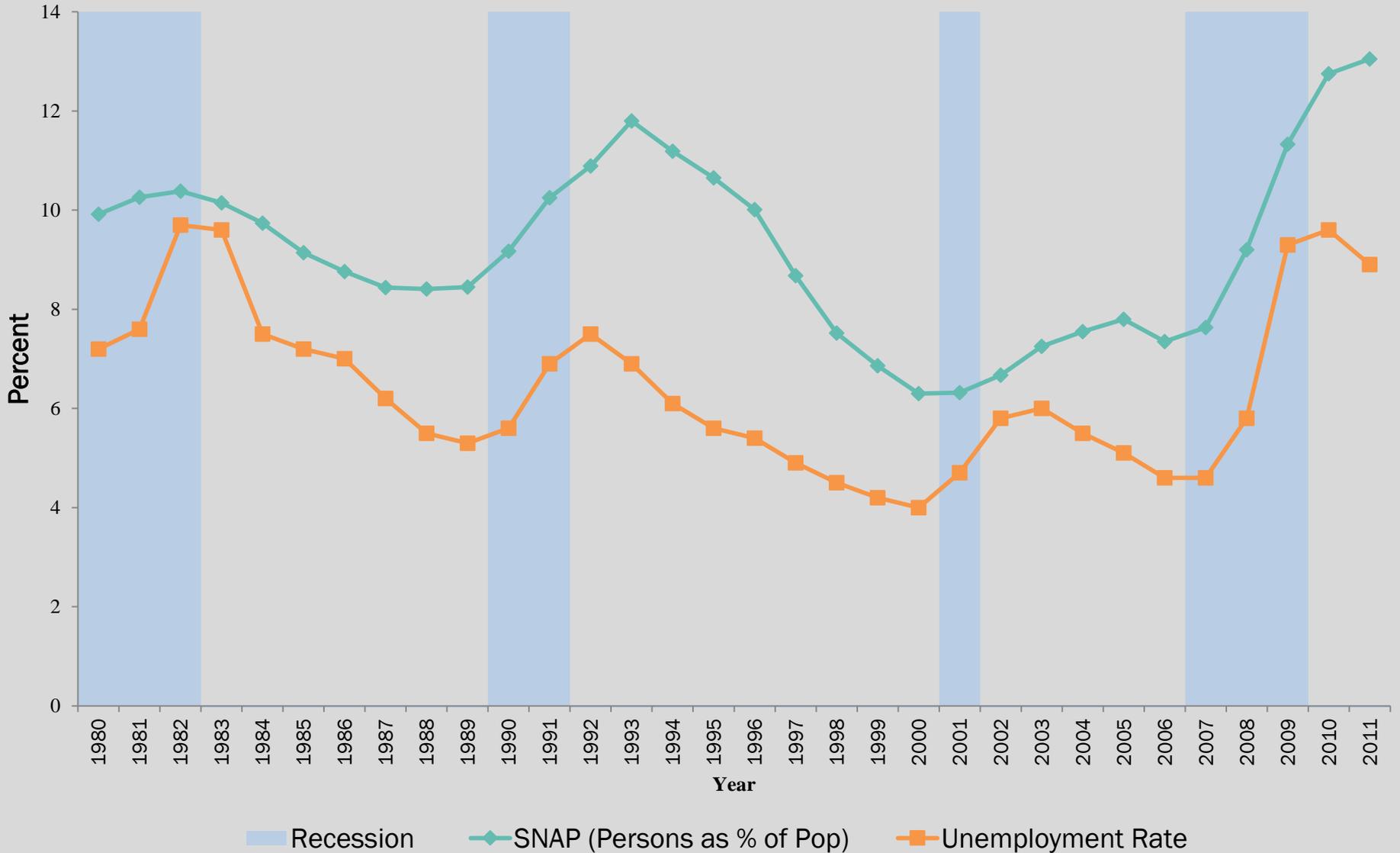
- Changes in Business Cycle
- Changes in Income Distribution

Policy Reforms

- SNAP Policy Changes post-2000
- 1996 Welfare Reform
- 1990s EITC expansions

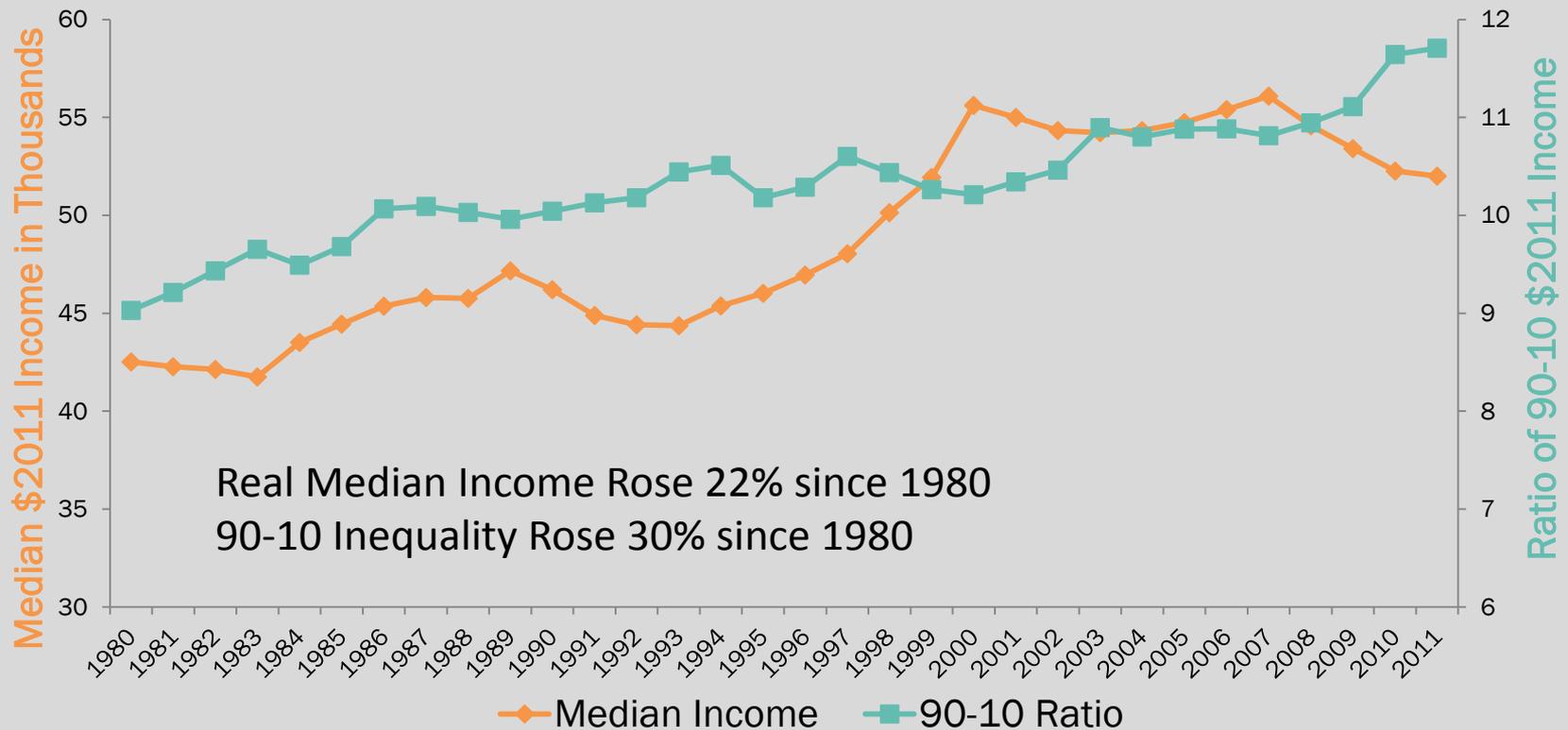
Demographics

Trends in SNAP Participation and Unemployment Rate



Source: Author's calculations using CPS ASEC and BLS data

Falling Incomes, Rising Inequality since 2000



Source: Author's calculations using CPS ASEC data

SNAP as Automatic Stabilizer

The weak macroeconomy is the most important reason for the increase in SNAP participation since the Great Recession and since 2000

SNAP participation will fall as the economy improves, both from lower unemployment and rising wages in the bottom half of the distribution

The program is operating as intended as an automatic fiscal stabilizer

SNAP as Work Support

SNAP has evolved into a work support for households whose head works full-year, has at least some college education, and is near poor

Changing demographics of households points towards lower participation

SNAP Policy Matters

Many of the policy reforms implemented in the early 2000s are operating as intended to improve access and program efficiency

- Benefit error rates are at all time lows

The 2014 rollback of the ARRA increase in benefits will lower participation

- Estimated that the 13.6% reduction in benefits will lower participation 12.2%

Policy has a sizable influence on long-term trends

SNAP and Poverty

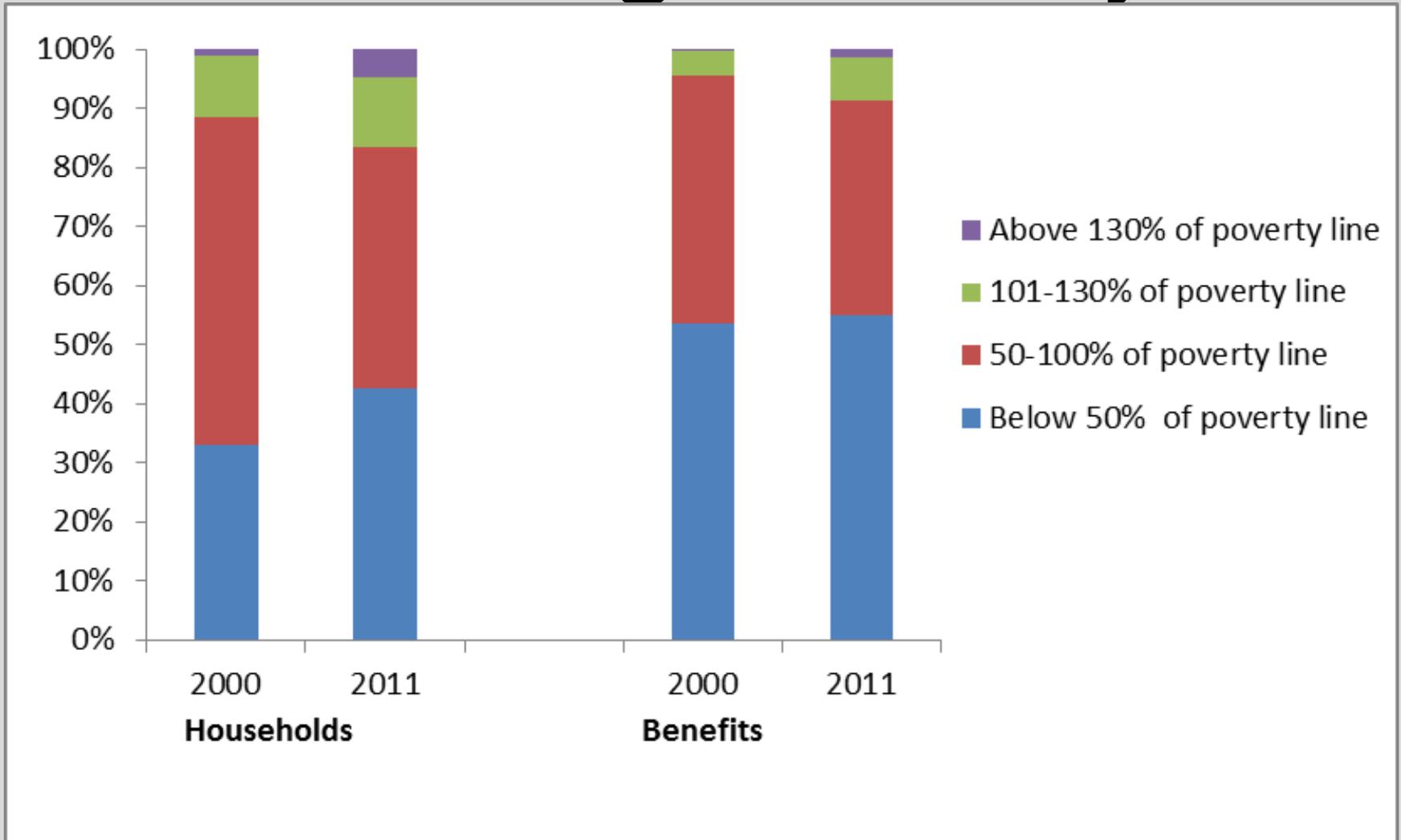
SNAP is our most effective targeted anti-poverty program

It is highly target efficient on a monthly basis

It strongly affects poverty count, gap, and severity (FGT measure)

Once we adjust for underreporting it is our most important anti-poverty program

SNAP: Target efficiency



Importance of Accounting Period and Units

Monthly vs. annual income

USDA: Month-to-month eligibility, benefits and recertification is basis for target efficiency

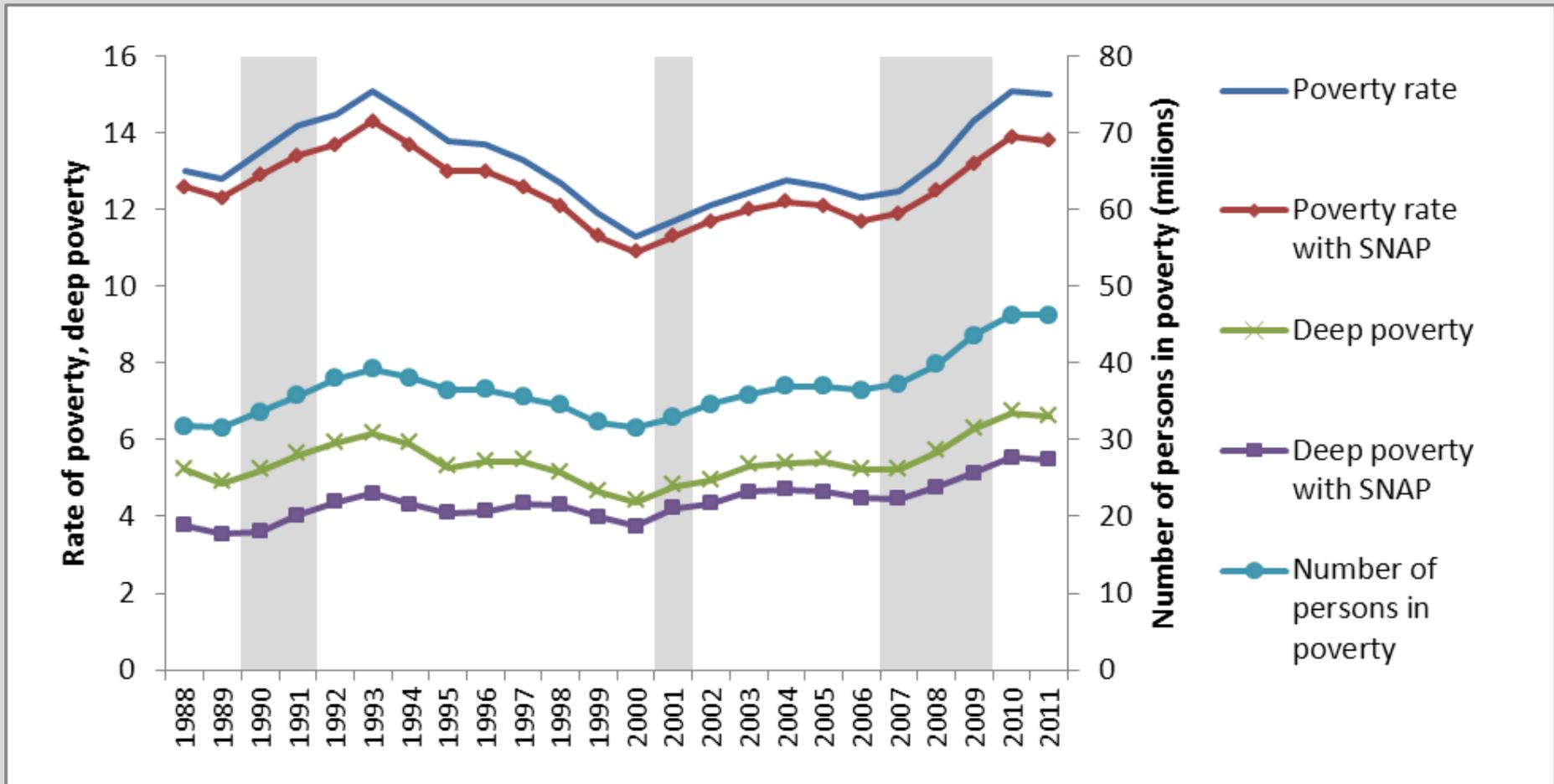
CPS: Annual benefit receipt and annual amount, makes no sense for a hunger program

Household vs. SNAP assistance unit

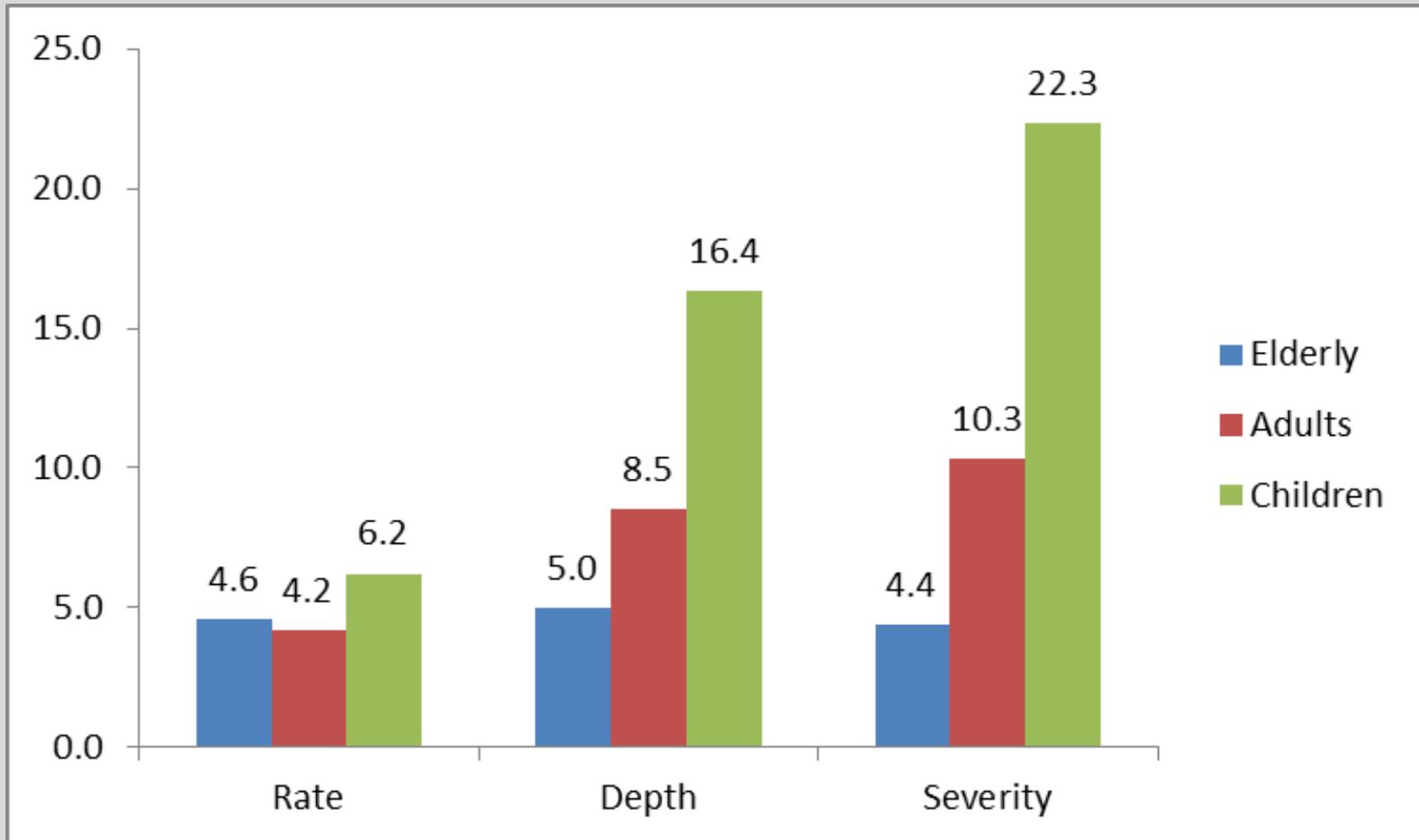
SNAP unit smaller than household unit:

'mom,' 'dad,' and kiddo: married (1 unit of 3) or not (1 unit of 1 *and* 1 unit of 2)?

Effect of SNAP benefits on “official” poverty and “deep poverty,” 1988–2011



Percent decline in rate, depth, and severity of poverty, by age, 2000–11



Correcting for underreporting — USDA

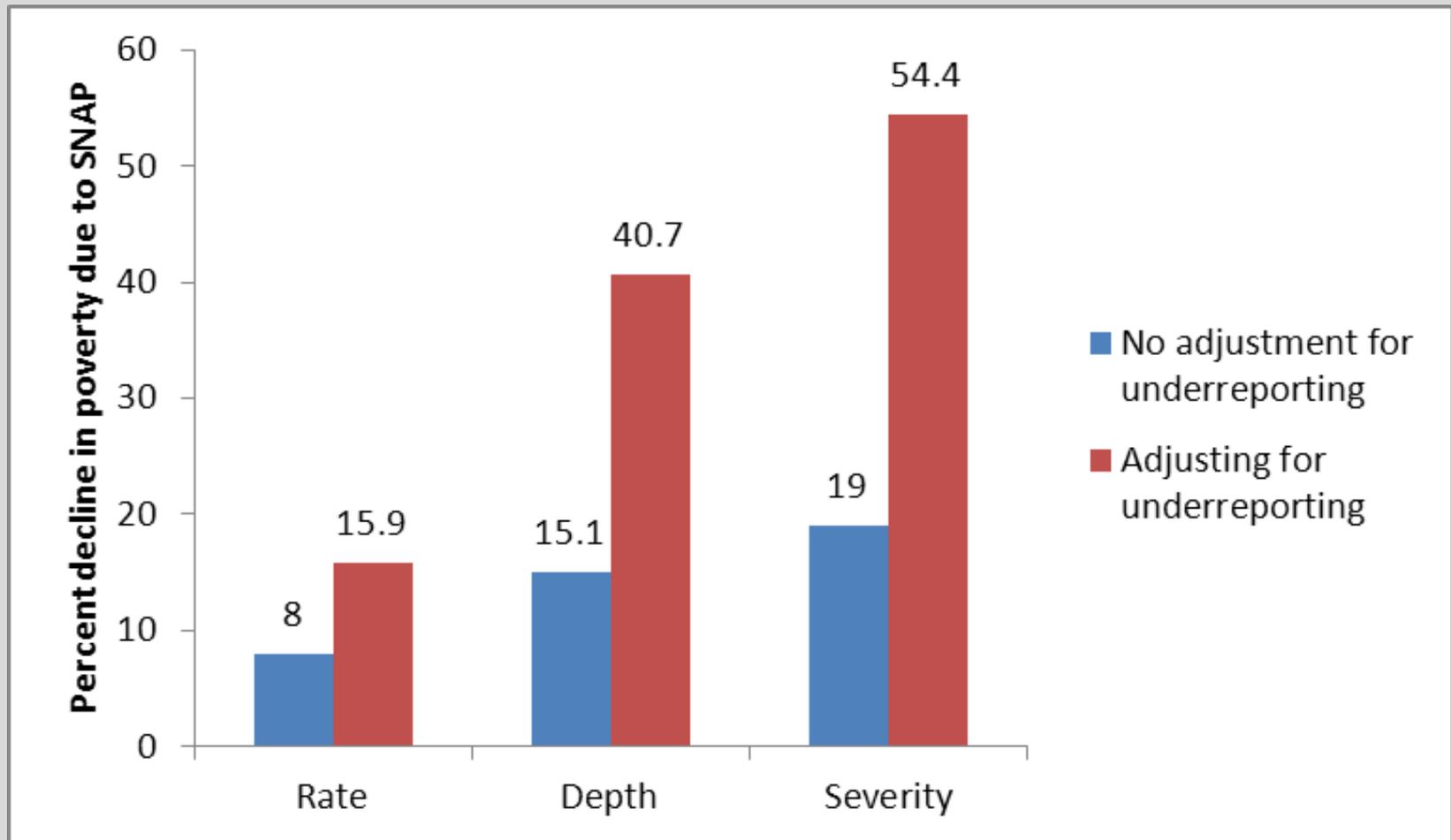
Evidence on underreporting

- Reporting rate of benefits was 53% in 2011
- Declined from 72% in 1988 (Meyer et al., 2015)

Our method

- First, use a weighting procedure to match number of poor SNAP recipients in CPS to USDA administrative data
- Second, scale up benefits to match USDA administrative totals, within two income groups among poor.

Antipoverty effect of SNAP with correction for underreporting, 2011



Similarity of results after correction,
at least for poverty counts

Urban Institute, TRIM (Laura Wheaton et al.,
2011)

Wisconsin Poverty Report (Chung et al., Fall
2013, *Social Services Review-2013 Report*)

California Poverty Report (Wimer et al., 2013)

General Summary of Findings

SNAP plays an important role in mitigating the effect of economic downturns on poverty.

SNAP has a relatively stronger effect on the depth and severity than on the prevalence of poverty.

SNAP benefits have a particularly strong alleviative effect on child poverty, relatively weaker effect on elderly poverty.

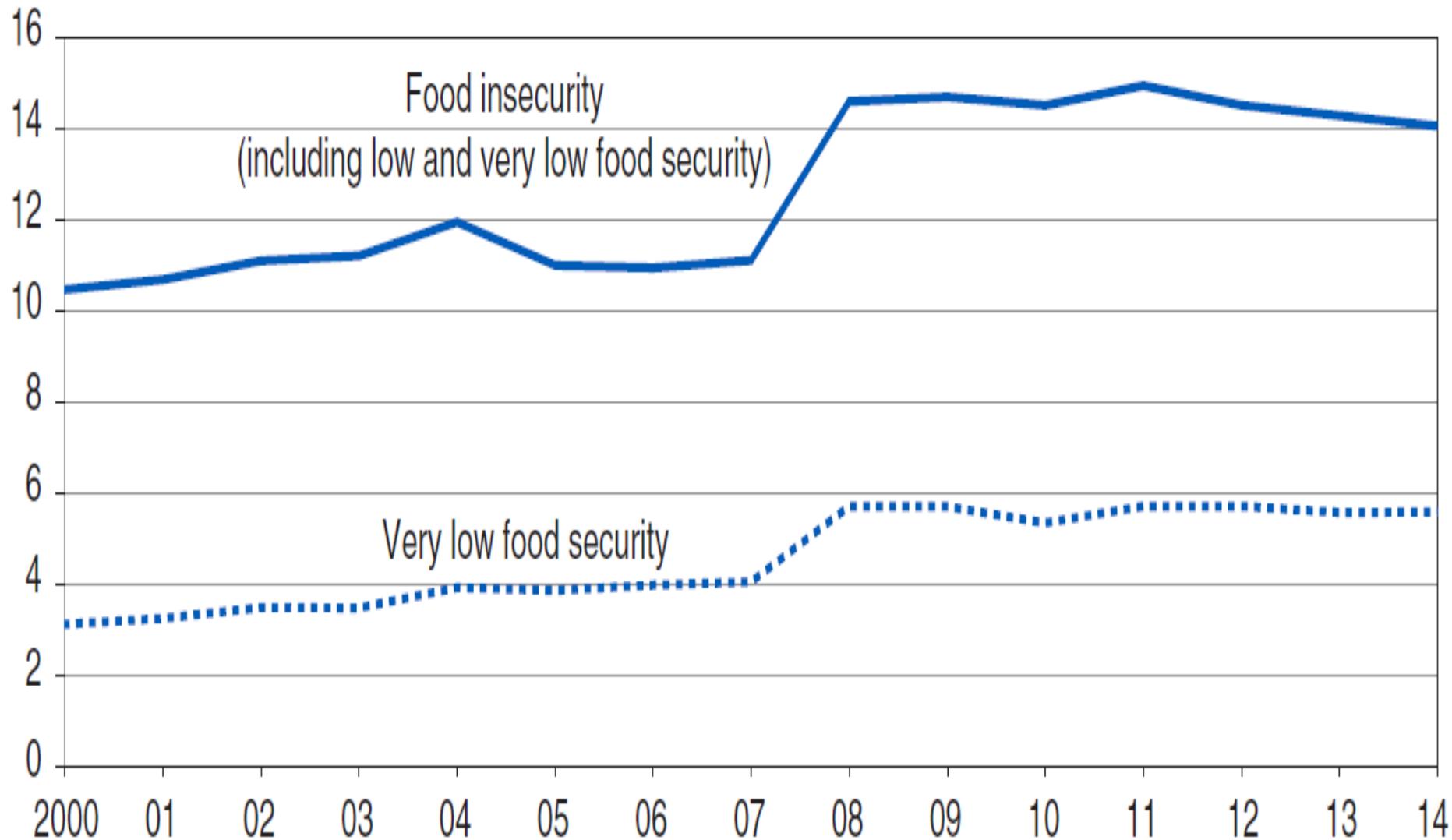
The 14% roll back in SNAP benefits in November 2013 has increased poverty.

What are the Impacts of SNAP on Food Insecurity, Consumption, Health, and Obesity?

Defining Food Insecurity

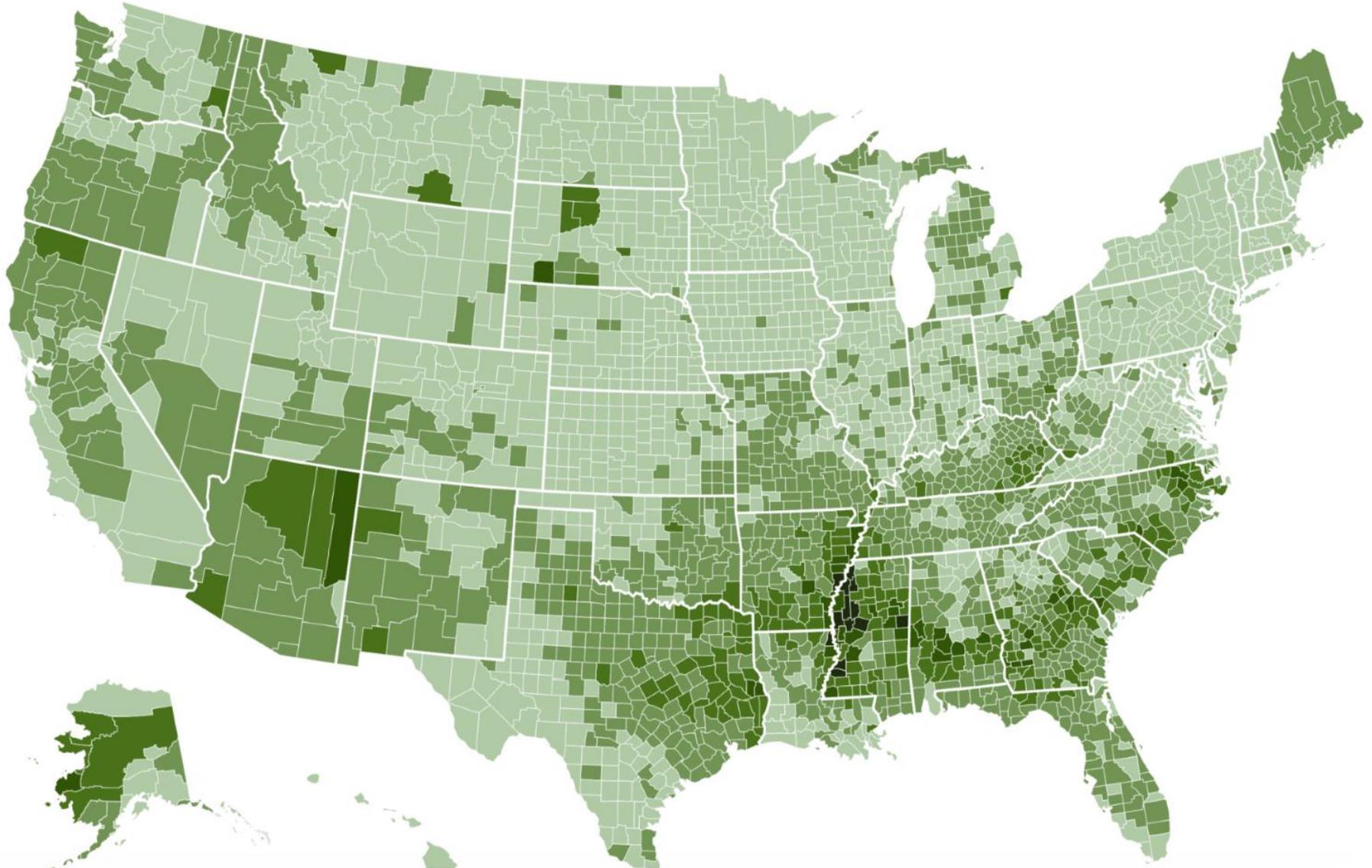
- A household's food insecurity status is based on responses to 18 questions in the Core Food Security Module (CFSM)
- Examples of questions:
 - “I worried whether our food would run out before we got money to buy more”
 - “Did you or the other adults in your household ever cut the size of your meals or skip meals because there wasn't enough money for food”
 - “Were you ever hungry but did not eat because you couldn't afford enough food”
 - “Did a child in the household ever not eat for a full day because you couldn't afford enough food”
- Categories
 - food insecure if have 3 or more affirmative responses

Percent of households

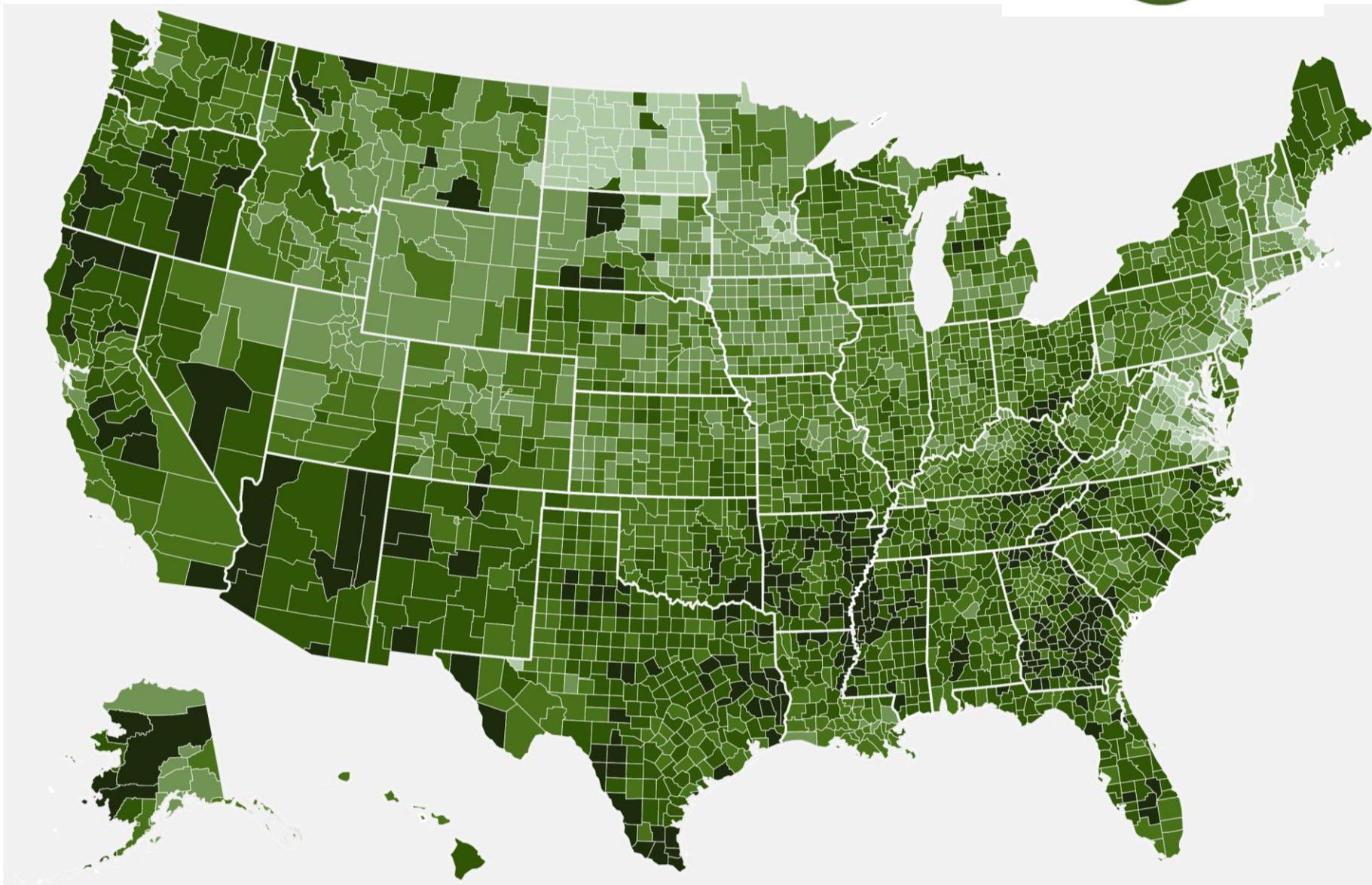


Source: USDA, Economic Research Service using data from U.S. Department of Commerce, U.S. Census Bureau, Current Population Survey Food Security Supplement.

Overall Food Insecurity Rates



Child Food Insecurity Rates



Food Insecurity

Central reason for establishment of SNAP was to reduce food insecurity

- remains a primary goal

SNAP is extraordinarily successful at achieving this goal

- best estimates are that SNAP recipients are roughly 20% less likely to be food insecure than eligible non-recipients
- work by Gregory et al. in this volume suggests that among those receiving SNAP higher benefits may be associated with lower probabilities of being food insecure

Food Consumption

All else equal, SNAP participants should have higher food consumption than eligible non-participants

Two oft-posed questions

- are most SNAP recipients infra-marginal?
- are benefit levels sufficiently high for most recipients?

Food Consumption

Are most SNAP recipients infra-marginal?

- research has consistently found that the vast majority of recipients are infra-marginal

Are benefit levels sufficiently high for most recipients?

- work by Schanzenbach et al. in this volume finds that many smaller households are not receiving enough benefits to obtain a minimally adequate diet

Nutrition and Health

SNAP is likely to have

- direct impacts on nutrition
- indirect impacts on health

Measuring impact of SNAP is difficult due to negative selection

- Bitler demonstrates that SNAP recipients are worse off over numerous dimensions unrelated to SNAP receipt
 - need to recognize this when considering impact of SNAP

Obesity

Possible effects of SNAP on obesity

- Common sense

Figure 3: Obesity Status of Adults by Income to Poverty Line Ratio, 2001-2010

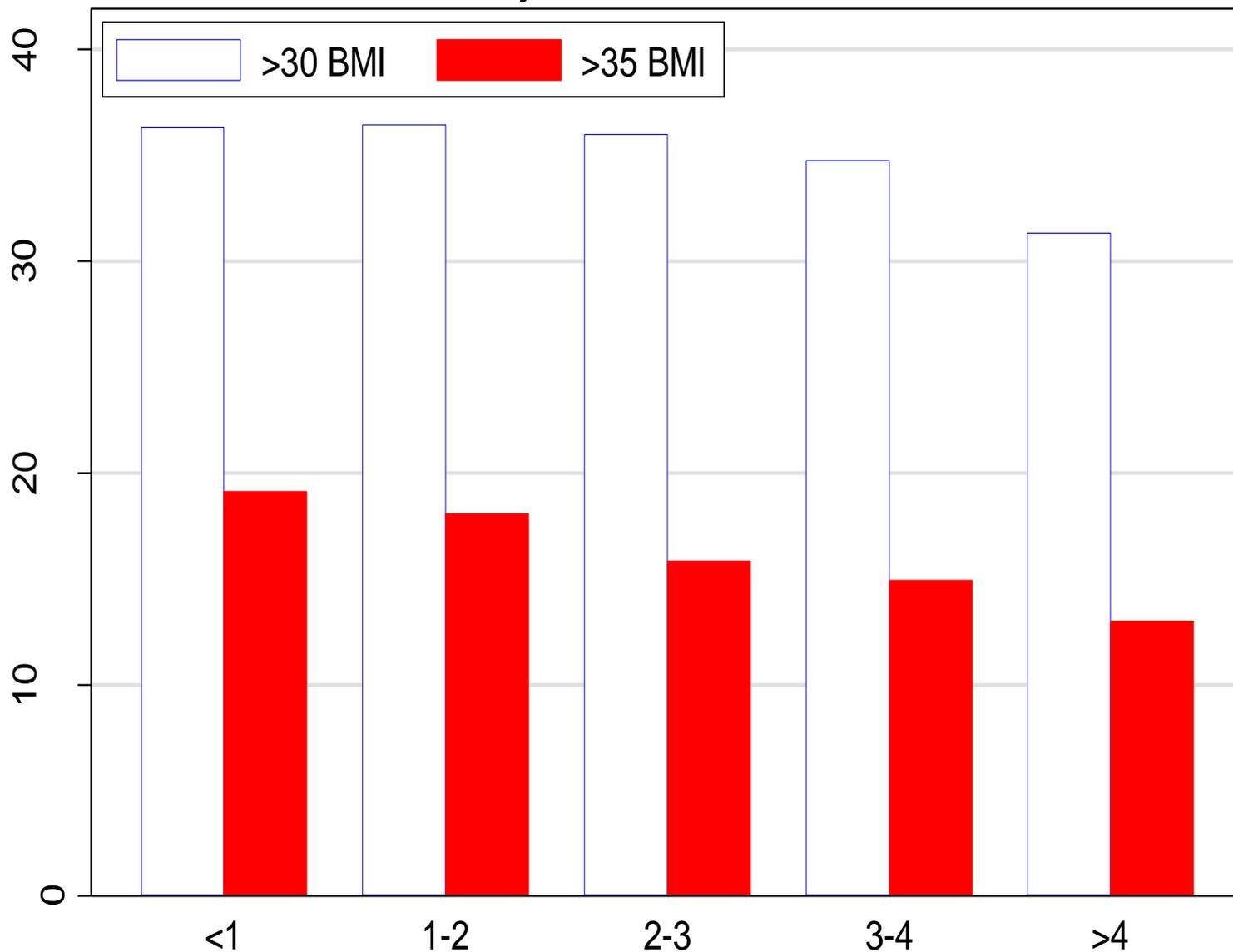
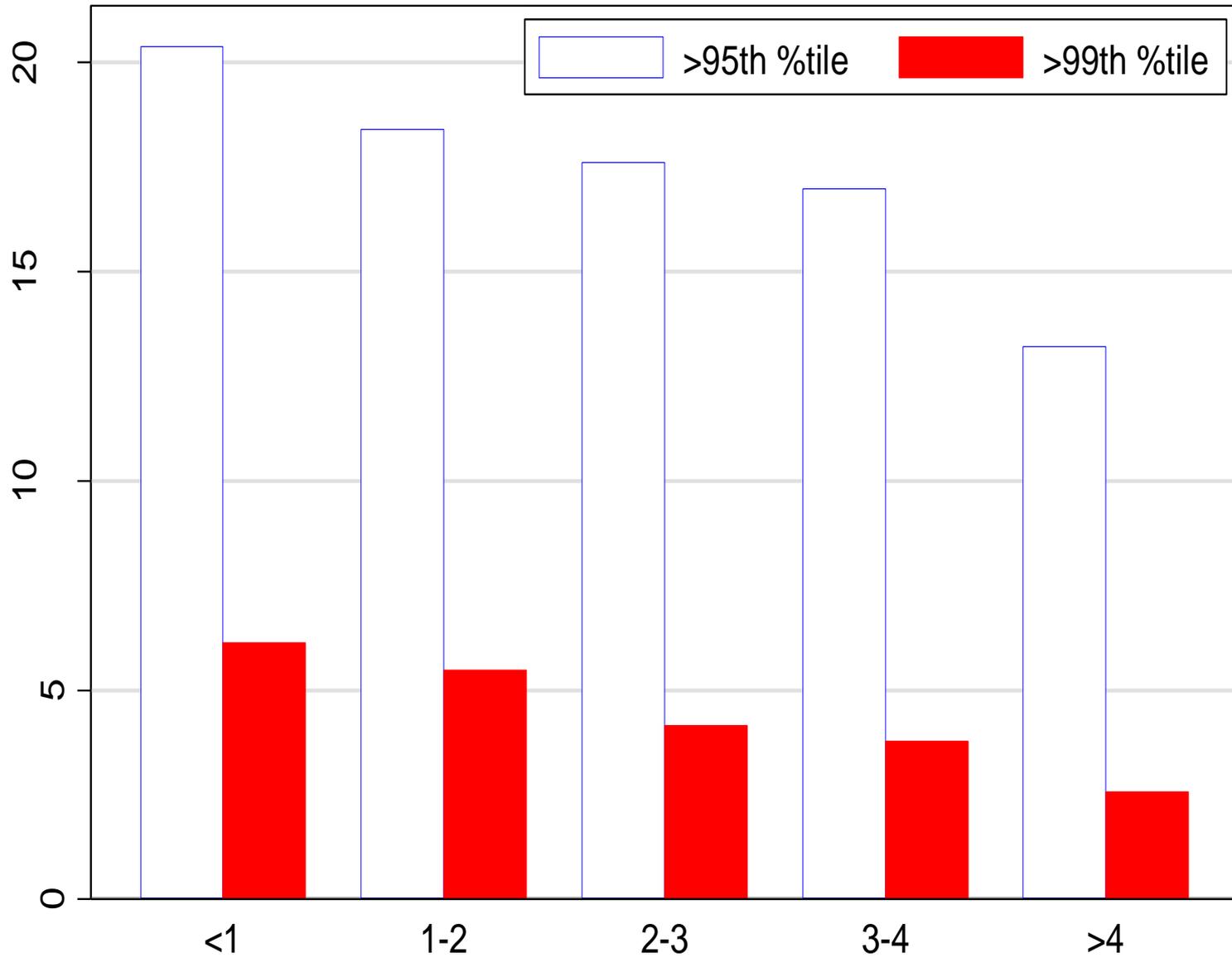


Figure 5: Obesity Status of Children by Income to Poverty Line Ratio 2001-2010



Obesity

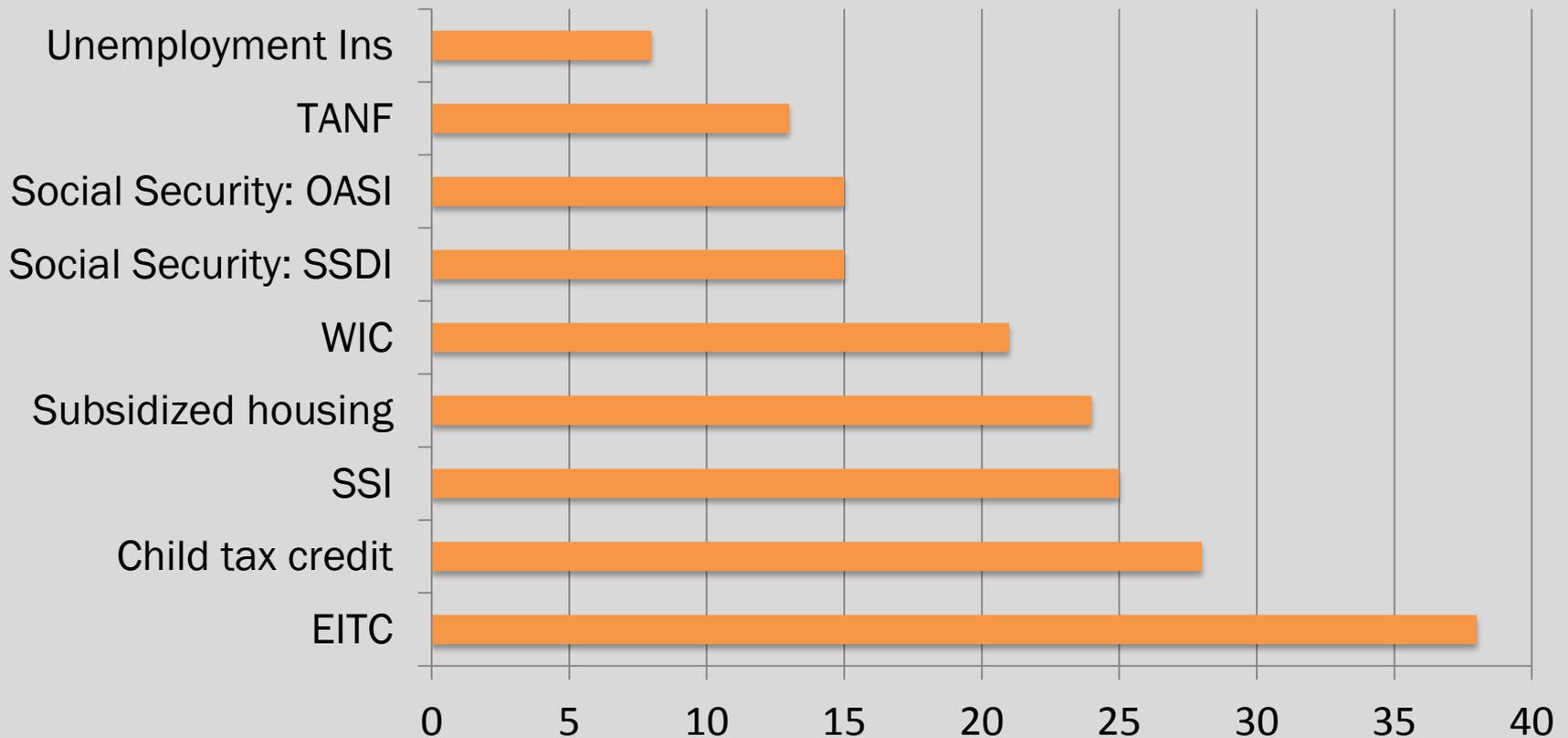
Possible effects of SNAP on obesity

- Common sense
- Theoretically ambiguous
- Empirical results
 - Positive effect of SNAP on obesity (i.e., SNAP is associated with increased in obesity)
 - Meyerhoefer and Pylypchuk (2008), Baum (2011)
 - No effect of SNAP on obesity
 - Fan (2010), Baum (2012), Kaushal (2007), Ver Ploeg et al. (2007), Kreider et al. (2012), Fan and Jin (2015), Almada et al. (2015)
 - Negative effect of SNAP on obesity
 - Schmeiser (2011), Hoynes et al. (2012), Burgstahler et al. (2012)

SNAP as part of the broader safety net

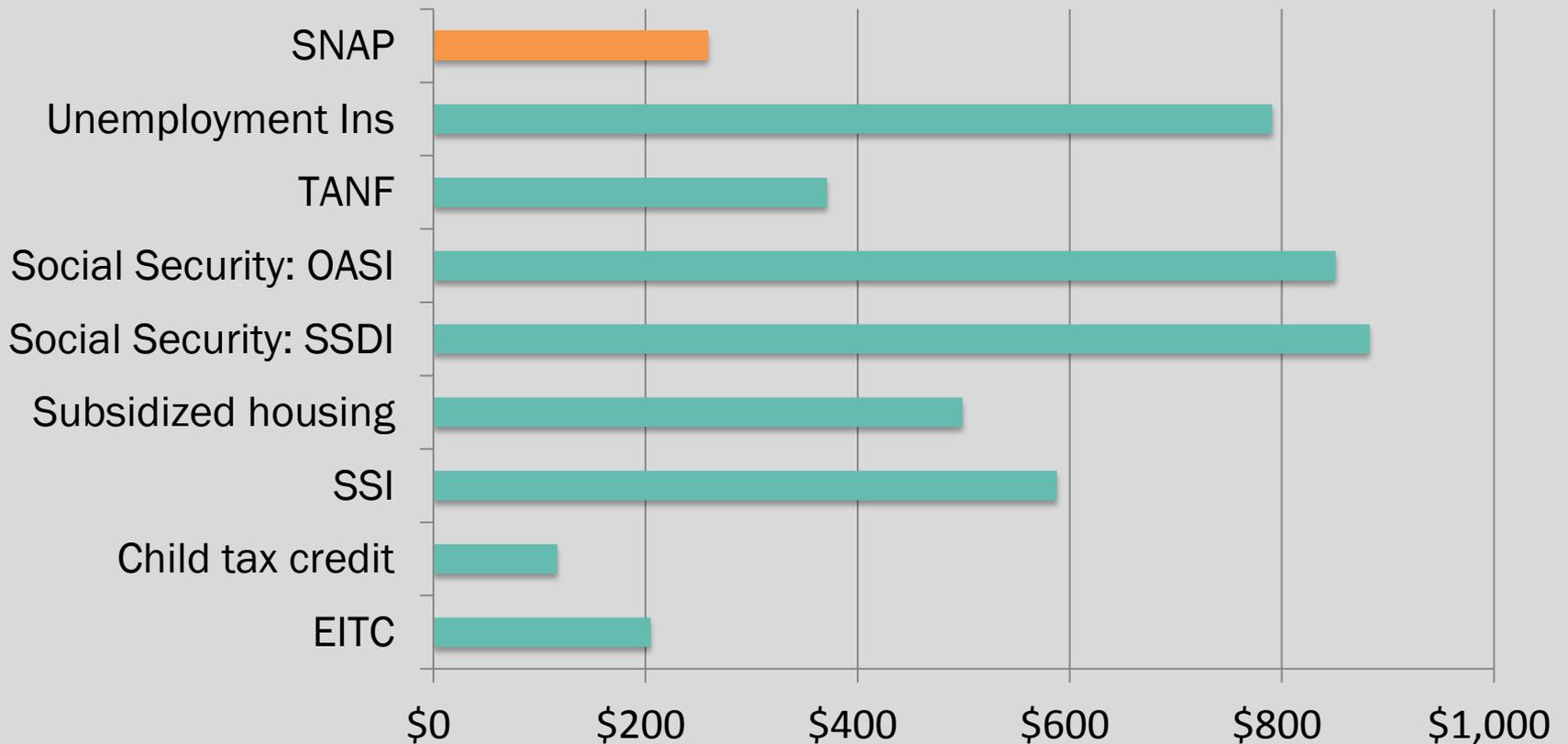
91% of SNAP recipients received at least one other tax or transfer benefit during 2008-2009

% receiving other benefits during 4-month period



SNAP is typically a small supplemental component of transfer income

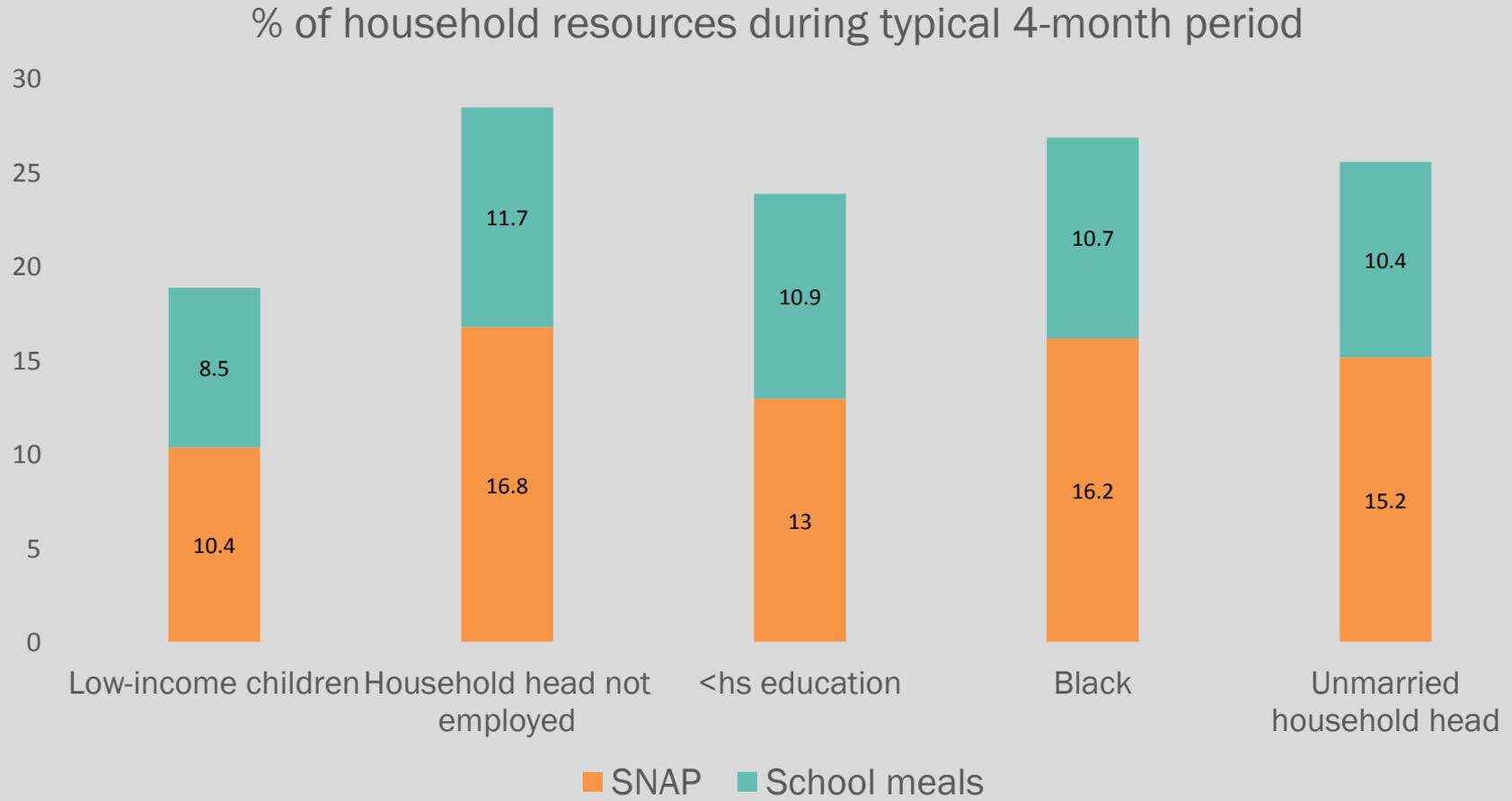
Mean monthly amount, if any, among SNAP recipients



Most school-age SNAP recipients combine SNAP with school meals... and usually school meals come first

- Almost 90% of school-age children in SNAP households also eat free or reduced price school lunch; almost three-quarters eat free or reduced price school breakfast
- Almost one-quarter of children entering SNAP do so without first receiving free or reduced price school meals; 21% are already participating in one of the meal programs, and 56% in both meal programs

Food assistance makes up a sizable share of household resources for low-income school-age kids



Linkages between SNAP and other programs are complex

Some transfer programs provide categorical eligibility for SNAP (i.e. TANF, SSI)

SNAP provides categorical eligibility for other programs (free school breakfast and lunch)

SNAP benefit amounts are influenced by amounts received from most other transfer programs

SNAP and other programs interact in complex ways to influence potential work incentives

Research has tended to study SNAP in isolation

Q & A

Please submit your questions in the Q & A box at the bottom of your screen.

Thank you!

Our next webinar

Addressing Ex-Prisoner Reentry at the Community Level

John Roman, Urban Institute

Michael Massoglia, UW–Madison

Thursday, December 17, 2015, 1:00 p.m. CST

Webinar #2 in the IRP-Urban Institute Webinar Series