Additional Food Assistance, Food Expenditures and Food Security?

Evidence from SEBTC

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Abt/APPAM Forum, February 2, 2016
Goal of Nutrition Assistance …

“to alleviate hunger and malnutrition … by increasing food purchasing power for all eligible households who apply for participation”

Food Stamp Act of 1977, as amended (P.L. 108-269)
… and the Implicit Theory

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Today, new evidence on both steps from SEBTC
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The less change in food expenditure, the less change in food security

To understand why, consider a household budget …
Budget without SNAP

Monthly Household Income/Expenditure

<table>
<thead>
<tr>
<th>Income</th>
<th>Expenditures w/o SNAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Non-SNAP) Income $1,500</td>
<td>Food $500</td>
</tr>
<tr>
<td>Non-Food $1,000</td>
<td></td>
</tr>
</tbody>
</table>

- Income: $1,500
- Expenditures: $1,500
  - Food: $500
  - Non-Food: $1,000
Income with SNAP

Monthly Household Income/Expenditure

Income

(Non-SNAP) Income
- SNAP: $300
- Non-SNAP Income: $1,500

Expenditures w/ SNAP

Expenditures w/o SNAP
- Food: $500
- Non-Food: $1,000

Total Income: $1,800
… According to the Implicit Theory

Monthly Household Income/Expenditure:

- **Income**:
  - SNAP: $300
  - Food: $300
  - (Non-SNAP) Income: $1,500

- **Expenditures w/ SNAP**:
  - Non-Food: $1,000

- **Expenditures w/o SNAP**:
  - Food: $500
  - Non-Food: $1,000
… According to an Alternative Theory

- **Income**
  - SNAP: $300
  - (Non-SNAP) Income: $1,500

- **Expenditures w/ SNAP**
  - Food: $500
  - Non-Food: $1,000

- **Expenditures w/o SNAP**
  - Food: $500
  - Non-Food: $1,000

Monthly Household Income/Expenditure
What is the Food/Non-Food Split?

- **Income**
  - (Non-SNAP) Income: $1,500
  - SNAP: $300

- **Expenditures with SNAP**
  - Food: $500
  - Non-Food: $1,000

- **Expenditures without SNAP**
  - Food: $500
  - Non-Food: $1,000

Monthly Household Income/Expenditure
What is the Food/Non-Food Split?

**Monthly Household Income/Expenditure**

- **Income**
  - SNAP $300
  - (Non-SNAP) Income $1,500

- **Expenditures w/ SNAP**
  - Food $500
  - Non-Food $1,000

- **Expenditures w/o SNAP**
  - Food $500
  - Non-Food $1,000

**How would you know?**
Ideally, …

For households receiving SNAP

Flip a coin…

Heads... Gets SNAP

Tails... Does Not Get SNAP
Ideally, …

For households receiving SNAP

Flip a coin…

Can’t do that; SNAP is an entitlement
Ideally, ...

For households receiving SNAP

Flip a coin...

Can’t do that; SNAP is an entitlement

With SEBTC, we can get close...
SEBTC is Close to Ideal

Households receiving free or reduced price school meals

Randomized to …

- Summers of 2011, 2012, and 2013: $60
- Summers of 2011 and 2012: no SEBTC benefit
- Summer of 2013: $30
SEBTC is Close to Ideal

Households receiving free or reduced price school meals

Randomized to …

Summers of 2011, 2012, and 2013: $60

Summers of 2011 and 2012: no SEBTC benefit
Summer of 2013: $30

Very large survey (>50,000 households) collecting data on income, expenditure, and food security
SEBTC Evidence on the Theory

Compare food expenditure for households with varying SEBTC benefits

(More) Food Assistance

(More) Food Expenditure

Improved Food Security
SEBTC Evidence:
Impact on Food Expenditure

52% = \frac{\$47 \text{ increase in food expenditure}}{\$91 \text{ benefit received}}

Source: Averages from SEBTC 2012; i.e., $60 per school age child vs. no SEBTC benefit

*Less than all; much more than regular income (~10%)*
So in net, half of food assistance goes to food expenditure
How much does the increased food expenditure improve food security?

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How much does the increased food expenditure improve food security?

Again, compare food security for households with varying SEBTC benefit amounts
SEBTC Evidence: Impact on Food Security

Very Low Food Security-Household (VLFS-H)

- 22% at $0
- 39% at $50
- 49% at $100
- 57% at $150
- 57% at $200

Additional Food Assistance per Household per Month

% VLFS-H in SEBTC Sample
And it improves food security—a lot; e.g. $100 more per month cuts VLFS-H by 39%

So in net, half of food assistance goes to food expenditure