

# Putting the SEBTC Evidence in the Larger Research Context

Timothy K.M. Beatty<sup>1</sup>

<sup>1</sup>Department of Agricultural and Resource Economics  
University of California, Davis

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# We care about how government funds are spent

Policymakers often give cash transfers suggestive names:

- Child Benefits (Kooerman 2000, Blow et al 2010).
- Family Allowance (Ward-Batts 2008).
- U.K. Winter Fuel Payment (Beatty et al. 2014).
- Food Stamps / SNAP (Southworth 1945, . . . , Moffitt 1989, . . . , Hoynes & Schanzenbach 2009, . . . ).

Theory is clear that a normative label shouldn't matter.

Empirical evidence is decidedly mixed.

Either way the answer matters.

- Labels may serve policy goals.
- Misplaced labels may have welfare consequences.

# We care about how people spend SNAP benefits

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## The potential impact of Supplemental Nutrition Assistance Program (SNAP) restrictions on expenditures: a systematic review

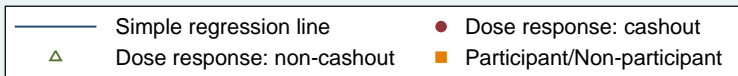
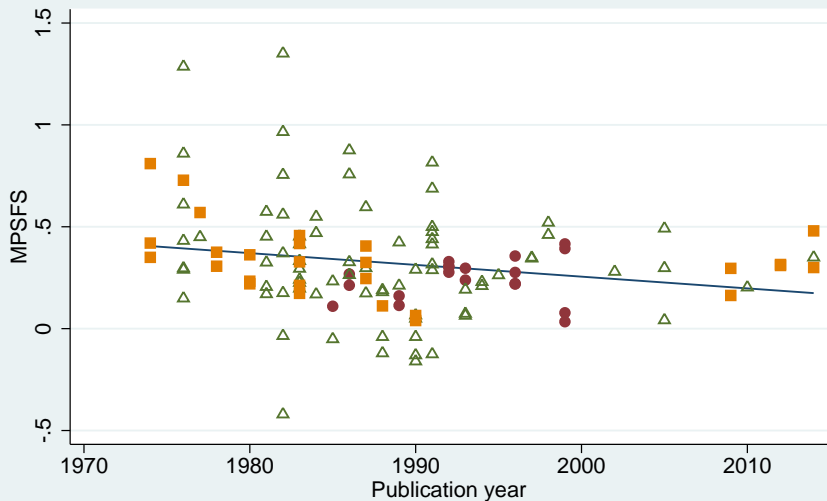
Joel Cuffey<sup>1,\*</sup>, Timothy KM Beatty<sup>2</sup> and Lisa Harnack<sup>3</sup>

<sup>1</sup>Department of Applied Economics, University of Minnesota – Twin Cities, 1994 Buford Avenue, St. Paul, MN 55108, USA: <sup>2</sup>Department of Agricultural and Resource Economics, University of California – Davis, 2116 Social Sciences and Humanities, Davis CA, USA: <sup>3</sup>Division of Epidemiology and Community Health, School of Public Health, University of Minnesota – Twin Cities, Minneapolis MN, USA

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We identified 59 studies and 117 distinct estimates of the **M**arginal **P**ropensity to **S**pend on **F**ood out of **F**ood **S**tamps / SNAP benefits.

# MPSFS Estimates Vary Widely— Publication Year





# SNAP is not randomly assigned

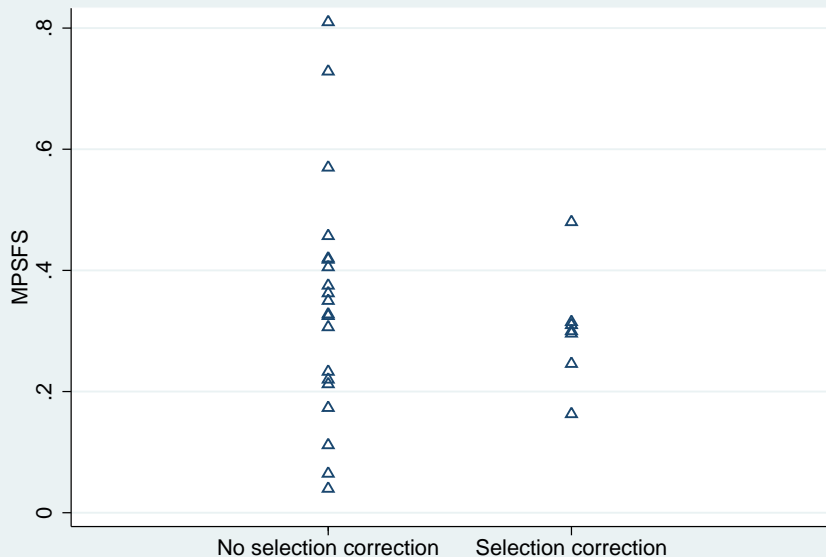


Figure 6

# Estimates by Data Source

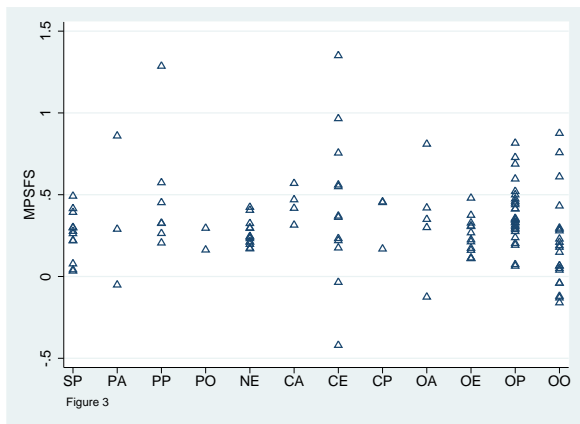


Figure 3

San Diego Cashout Demonstration data (SP); the Panel Study of Income Dynamics using data for all households (PA), SNAP participants (PP) or other households (PO); the Nationwide Food Consumption Survey Low Income supplement using SNAP-eligible households (NE); the Consumer Expenditure Survey Diary data using all households (CA), SNAP-eligible households (CE) and SNAP participants (CP); and other data set using all households (OA), SNAP-eligible households (OE), SNAP participants (OP) and other households (OO). (MPSFS, marginal propensity to spend on food out of food stamps)

# SNAP and Food Insecurity

The evidence that SNAP reduces food insecurity is overwhelming:

- SNAP participants have higher FI than otherwise eligible nonparticipants and early work ignored selection effects.
- Gundersen and Olivera is the first to take causal identification seriously.
- Work by Gundersen, Kraider, Pepper & co-authors shows robust non parametric evidence.

Evidence on “bang per buck” is limited:

- Gundersen et al papers typically provide wide bounds.
- Van Hook and Ballistreri (2006) find decreasing snap increases food insecurity.
- Nord & Prell (2011) find the ARRA increases reduced food insecurity.
- The SEBTC provides the best evidence to date on estimating the dose response function.

Mechanisms remains difficult to pin down.



# Final Thoughts

Much recent work that find a large effects capture an short-run response.

- Do these effects persist over the long run?
- Are these effects symmetric? Are they linear?

Much of the modern work that finds a smaller effect considers the equilibrium response.

Experimental evidence is the typically viewed as the gold standard.

- Pure experiments are infeasible and unethical.
- Randomized interventions of this size are expensive and infrequent.
- USDA should think about budgeting for public use files. Making data widely available to researchers is important.
- USDA should think about coordinating data collection (FoodAPS / ACS) with experiments (SEBTC).