

Welcome. You are listening to a UC Davis Center for Poverty Research Conference podcast. I'm the center's deputy director, Marianne Page. In January 2014, the center hosted the War on Poverty Conference. The conference featured top poverty experts from across the country, who discussed the US safety net on the 50 year anniversary of the War on Poverty.

In this presentation, Maya Rossin-Slater discusses Hilary Hoynes' paper, The Impacts of 50 Years of the Food Stamp Program. Rossin-Slater is an assistant professor of economics at the University of California Santa Barbara.

>> So this first graph I just wanted to sort of reiterate Hilary's point about how important the food stamp program has been in the US social safety net, especially in recent years.

So it's just plotting the growth in the average monthly participation in the program, as well as the average monthly benefits. So clearly, especially in recent times and with the Great Recession, this has been a really important program for many people. So understanding sort of its first order effects on whether it does what it attempts to do in terms of lifting people out of poverty or reducing poverty.

As well as any sort of spill over type of effects on other benefits such as health and later life outcomes is really important for understanding the benefits of this program for a type of cost-benefit analysis. So just to put this into more context so in terms of how does this program fare at the war of pov, war on poverty?

Well the evidence does suggest that it lowers the prevalence, depth, and severe, severity of poverty, especially over the recent decade. You know, the estimates are different in terms of magnitudes, but there's general consensus that that, it has done that. You know, it also reduces out-of-pocket spending on food, as it's meant to do, and reduces food insecurity.

And then now shifting to Hilary's work with Doug Almond and Diane Schanzenbach it also improves early life health. But the important question now is, well, are there ever more sort of far reaching consequences and possibly even implications for the inter-generational transmission of disadvantage of those program and its role in the war on poverty?

So this is where, I think this paper fits in really nicely. And so just to sort of motivate this paper, once, one more time. You know, we have all this recent work in economics and many other disciplines suggesting that earlier life conditions really do matter for long run outcomes.

So this is sort of the fetal origins hypothesis, and lots and lots of studies have been showing why these early, how early life conditions are important for long run well being. As Hilary mentioned much of this evidence does come from these extreme negative shocks, so things like famines, disease outbreaks, extreme environmental conditions.

And we have very little evidence on the effect of sort of policy driven early life shocks, especially in the United States. And the two main challenges for this are first identification. So identifying the causal effects of early life conditions is challenging for a variety of reasons. And then, additionally, the second challenge, especially in the US context, is data.

So unlike countries like Sweden and Norway and other Scandinavian countries that collect you know, universal data and track people over long periods of time and have information on everybody. The US has really until recently has not had this kind of data available and if it is, it's very highly restricted access.

And what we need for this type of research is we need to be able to link people, link their locations of births to information on their long run outcomes. And so this paper fills this gap in the literature by linking this quasi exogenous variation in the roll out of the food stamps program, one of the larger US safety net programs, with detailed survey data that's going to contain information on the early childhood residents.

And these results can inform our understanding of health and human capital formation and have important policy implications. So, just to give you a brief summary of what this paper does, it's going to use a sample of PSID household heads and wives born between 56 and 81. It's gonna be this high-impact sample of families where their

head was, had less than a high school education.

And then, the key identification is gonna involve a county year month variation and the timing of when food stamps was ruled out. And so their key treatment variable is the fraction of months, from conception until age five that a child was exposed to food stamps in that county.

And, so what's important to note here is that everybody is exposed at some point. Right? So we're comparing individuals who are fully exposed in early childhood, to those partially exposed in early childhood, but to those not exposed in early childhood, but exposed later in life. And so the, just to summarize the results, again.

They find that going from no exposure to full exposure reduces metabolic syndrome by about 0.3 standard deviations and increases economic suf, sufficiency by about 0.2 standard deviations, but this is only for women. And the half outcomes are measured between ages 18 and 53, as well, and then the economic outcomes are measured, between ages 25 and 53.

>> So my first set of comments is going to be just on the empirical methods. So one thing that Hilary and I already discussed a little bit is that, the way they do their analysis that, that outcomes are going to be measured at different ages so the data contains multiple observations per person, at different ages.

And so in that sense, these facts represent average effects over the time of observation in the sample. And so I thought about this a little bit and it, and it seems to me that age probably matters a lot here. And so just sort of testing whether controlling for age more flexibly makes any difference I think it might be a nice robustness check to do.

And then additionally, I don't know if your data would allow you to do this because of the sample size. But perhaps you can sort of look at outcomes measured only at certain age or age range to try to sort of get at this idea of whether this is just delaying onset or reducing the incidents of these of these health conditions.

So sort of choosing large groups maybe ages 25 to 35, 35 to 45 and so on and seeing where the effects show up. The second comment about methods is so one concern that we might have, so we talked a lot about the exogeneity of the roll out. And that it was not correlated with tam, time varying county factors that might have led some counties to choose to implement earlier and others to choose to implement later.

One issue that that hasn't been discussed as much, is this idea of endogenous mobility. So, is, could it be possible that people might move to get access to a food stamps program to a different county? And there's this particular, could be an issue because, you have county of birth for everybody that's born after 1968 which is when the data, began to be collected.

But then for people who were born earlier than that, and you're just using their county of residence at the time of 68. And so if there's some sort of mobility going on, if people are finding out that this program is in a nearby county and they're moving there that could be a concern.

So one way to test this would be to just look at this relationship empirically and see whether not having food stamps in the counties correlated with moving in early childhood. And you can also sort of look at and you've probably done this already, but look at whether population characteristics are correlated with access to FSP.

And then in the PSID, you could also just look at only cohorts that were born in 1968 or later as a robustness check for this type of mobility issue. And I think this is actually kind of an important issue, and not just for this paper, but in terms of methodology.

Because much of the existing research on long run effects of early childhood shocks thus far has actually used county of residence as a proxy for county of birth. And so, because you have both in your data, you have that advantage of being able to actually estimate the magnitude of that, of the bias that that creates and sort of inform our understanding of the prior estimates that we have.

The, the other nice thing so you talked about how this is the PSID and not like the tax administrative data. So but one advantage of the PSID is that you do have this rich set of controls and household characteristics. And I think you can sort of identify even siblings.

So one nice additional way to look at this would be, to do a sort of sibling fixed effects analysis, and compare siblings who are exposed in early childhood to those who are not to control, for family characteristics and family background. I found the, that study figure really striking.

So, basically shows that, you know, relative to the other years, there's no effect after age five. And so, I thought it'd be nice to just sort of explore that even more and just showing some specifications just for a simple zero one dummy for exposure before age five or not, zero one dummy for exposure by age zero or not.

In terms of interpreting the results so right away I'm sort of framing the expected magnitudes. Oh, did you do a sort of back of the envelope calculation on what we might expect to see given the existing literature? So, for instance there's a bunch of work by Ann Case and Christina Paxton that looks at the correlations between height and income.

And so you can look at both height and income in your data and so sorta see you know, what are your findings on height predict the same effects on income that we've seen in the past literature. This idea that food stamps is both an income and a nutrition shock, and so it's sort of hard to separate out the two the two mechanisms.

So one way that I thought you might be able to do a little bit of this is to try to interact or compare to the long run effects of WIC, the Women Infants and Children Nutrition program. I mean you can also think of that as sort of an income shock as well, but it's perhaps a more pure nutrition shock, in a sense that there's specific guidelines about nutrition, there's nutrition education.

And then the other thing I thought I would be interesting to do is to try to decompose the fetal origins hypothesis a little bit more. Part of the interesting, part of the fetal origins hypothesis is that it was predicted that some of the early life shocks would only have effects later in life.

So it's this sort of latent effect idea in that the facts of early life exposure might not, we might not see effects on early childhood health, but we might see effects on later life health. And so since you've now done work on both the effects of food stamps on birth weight and on long run outcomes, you can sort of look at this in more detail and see whether these long run effects are actually concentrated in the same counties, where we saw the largest effects on birth weight, for example.

And in, in more technical language you could potentially compare county complier characteristics for both weight and adult outcomes. So what are the characteristics of the counties that experience the biggest birth weight effect? What are the characteristics of the counties that experience the biggest adult outcome effects? And how do those compare?

And then just a few sort of more comments on broader extensions and ideas for future work. So the PSID has a lot of different outcomes I'm, as I'm sure you know. So one thing that you could look at is various parental investment measures to think about sort of compensating versus reinforcing investments.

As well as things like family formation outcomes of teen child bearing single parenthood and et cetera. And doing just, sort of fitting more in with the theme of the conference you do have all those data on on the variety of the other programs that were rolled out around the same time.

It would be really interesting to think about the complementarities between these types of programs. So interacting the food stamps roll out variation with variation in WIC, Head Start, community health centers. And you can even potentially do something to examine these types of dynamic complementarities that Heckman talks about.

So this idea that whether better nutrit, nutrition resources, provided in early life make later cognitive investments such as Head Start more fruitful. So the peop, do the people that benefit from food stamps do they have greater benefits

from Head Start in later life or not? And then finally sort of more broadly thinking about the literature on early childhood shocks, investments and so on.

You could also step out of the sort of policy and policy driven variation and think about other types of environmental variation, where much of the literature has gone recently as well. And so interacting the food stamps roll out with variation in air pollution, for example. And that will allow you to sort of directly compare different types of ear, early life health shocks versus income shocks, nutrition shocks.

All right. Thank you very much.

>> I'm Anne Stevens, the Director of the Center for Poverty Research at UC Davis, and I want to thank you for listening. The center is one of three federally designated poverty research centers in the United States. Our mission is to facilitate non-partisan academic research on domestic poverty, to disseminate this research, and to train the next generation of poverty scholars.

Core funding comes from the US Department of Health and Human Services. For more information about the center, visit us online at poverty.ucdavis.edu.