The Past, Present and Future of the Food Stamp Program

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## Evolution of Antipoverty programs in the U.S.

<table>
<thead>
<tr>
<th>1930s</th>
<th>Great Society (1960s-1970s)</th>
<th>1990s</th>
<th>2010</th>
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</thead>
<tbody>
<tr>
<td>Social Security</td>
<td>Food Stamps</td>
<td>Welfare Reform</td>
<td>Obamacare</td>
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<tr>
<td>AFDC</td>
<td>Medicare</td>
<td>Rise of the EITC</td>
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<tr>
<td>Unemployment Insurance</td>
<td>Medicaid</td>
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<tr>
<td>Insurance</td>
<td>Disability</td>
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<td></td>
<td>Civil Rights Act</td>
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In the wake of welfare reform, food stamps is the fundamental safety net in the U.S.
Federal Spending on Selected Means-Tested Programs and Tax Credits, 2012

(Billions of dollars)

Health Care
$272 Billion

Medicaid: 251
Medicare Part D Low-Income Subsidy: 21

Cash Assistance
$148 Billion

Earned Income Tax Credit: 54
Supplemental Security Income: 50
Child Tax Credit: 28
Temporary Assistance for Needy Families: 17

Nutrition, Housing, and Education
$168 Billion

Supplemental Nutrition Assistance Program: 80
Child Nutrition: 18
Housing Assistance: 36
Pell Grants: 34

Source: Congressional Budget Office.
Increases in child poverty in the Great Recession

- With and without government transfers

The social safety net mediates income losses.
Features of the Food Stamp Program

• Food Stamp benefits are paid as vouchers that can be used to purchase most foods at grocery stores that are designed to be taken home and prepared.
• Excludes hot foods intended for immediate consumption, vitamins, paper products, pet foods, alcohol and tobacco.
• Because all households need to purchase food, my research shows that vouchers and the cash equivalent lead to similar choices for households.
• Key: Food Stamps is essentially an income support program → it promotes increases in food spending (as well as other spending)
My research on the effects of Food Stamps on health

• **STUDY 1:** Pregnant women who have access to food stamps have healthier babies (significantly lower risk of low birth weight)
  – Reductions in LBW $\rightarrow$ better cognitive achievement and adult human capital

• **STUDY 2:** Access to food stamps in early childhood leads to reductions in the likelihood of metabolic syndrome (obesity, high blood pressure, diabetes) in adulthood

• Demonstrates potential for positive benefits of social safety net programs that have, to date, not been quantified. Benefit individuals and society.
How food stamps impact long-term health

Increasing incidences of obesity, high blood pressure, diabetes

Decreasing incidences of obesity, high blood pressure, diabetes

Food stamps in place before child’s birth
Food stamps implemented during early childhood
Food stamps not implemented during early childhood

Food stamp investment before birth improves adult health.

But investment later in childhood does not.
The future of food stamps

• There is much attention on the poor diet and health of Americans, particularly those of low socioeconomic status

• If you look at the diet of food stamp recipients, the quality is low. But this represents low income and poverty rather than the effects of the program per se
Healthy foods are much more expensive (per calorie) than unhealthy foods.

Overtime, prices of unhealthy foods have fallen relative to healthy foods.

The Cost of Healthy Eating

The cost of many unhealthful foods, like soda, butter and beer, has fallen in the last three decades, while the cost of fruits and vegetables has risen substantially.

CHANGE IN MONTHLY FOOD PRICES

<table>
<thead>
<tr>
<th></th>
<th>MARCH 2009</th>
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</thead>
<tbody>
<tr>
<td>Fresh fruits</td>
<td>1.46%</td>
</tr>
<tr>
<td>Fresh vegetables</td>
<td>1.41%</td>
</tr>
<tr>
<td>Beer</td>
<td>0.85%</td>
</tr>
<tr>
<td>Butter</td>
<td>0.71%</td>
</tr>
<tr>
<td>Sodas</td>
<td>0.67%</td>
</tr>
</tbody>
</table>

Lines show change in price of items since 1978, relative to overall inflation as measured by the Consumer Price Index. The price of vegetables, for example, has risen 40 percent faster than the overall index.

Source: Bureau of Labor Statistics, via Haver
Food Stamp policies going forward

# 1: *Reduce the price of healthy foods*
- Massachusetts Healthy Incentive Pilot: A 30% bonus for purchasing fruits and vegetables led to a 25% increase in consumption of healthy foods
- Bonus incentives at farmer’s markets

# 2: *Restrict the food bundle*
- Could jeopardize the core income support features of the program

# 3: *Increase the price of unhealthy foods?*
- Berkeley Measure D, SF Measure E ??