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The Great Society, Food and Nutrition Programs, and Family Well Being

Hilary Hoynes *

Food and nutrition assistance programs are an important part of the U.S. safety net. In 2009, the Food Stamp Program (FSP) served about 34 million persons at a total cost of $56 billion and the Supplemental Program for Women, Infants and Children (WIC) served 9 million people at a cost of $6.5 billion dollars. The goal of these two programs is to improve the nutritional well-being and health of low-income families. In the post-welfare-reform era, the FSP increasingly has become the central safety net program in the United States. It is the only program that is universal — provided to all ages and family types whose income and assets make them eligible — and, unlike other cash or near-cash assistance programs, it is adjusted each year for changes in the cost of food. From 2008 to 2009, food stamp caseloads increased almost 20 percent.2

Both FSP and WIC were developed in the Great Society period of the 1960s and 1970s. They were introduced in direct response to policy recommendations highlighting health deficits among low-income individuals that might be reduced by improved access to food. It was further recognized that by providing food at “critical times” to pregnant and lactating women and young children, it might be possible to prevent a variety of health problems.3

Throughout the history of the FSP and WIC, the program parameters were set by the U.S. Department of Agriculture; they are uniform across states. This is unusual, because U.S. states play an important role in setting the generosity of most means-tested transfer programs. Without the state-level variations that economists often use to evaluate transfer programs, the earlier research on FSP and WIC typically relied in some way on comparing program participants to non-participants.4 Recently, this approach has come under question. For example, a number of researchers have pointed out that if pregnant women who participate in WIC are healthier, more motivated, or have better access to health care than other eligible women, comparisons between the children of WIC participants and non-participants could produce positive estimates for the program’s results, even if there were none. Conversely, if WIC participants are more disadvantaged than other mothers, then such comparisons may underestimate the program’s impact.5 Similar arguments apply to the FSP; in fact several studies find that food stamp participation leads to a reduction in nutritional intake. These unexpected results are almost certainly driven by negative selection into the program.6

In a series of studies, my coauthors and I have estimated the impact of these food and nutrition programs by exploit-
We use data from the Panel Study of Income Dynamics (PSID) from 1968-78 to examine the impact of the FSP on expenditures on food spent at home, meals eaten out, and total food spending. Our strategy takes advantage of the sharp timing of the county-by-county rollout of the FSP, initially constrained by congressional funding authorizations but finally available in all counties by 1975. Specifically, we use a difference-in-difference setting and information on the month that the FSP began operating in each of the roughly 3,100 U.S. counties. Our results indicate that people behave just as the theory predicts: the introduction of FSP leads to a decrease in out-of-pocket food spending and an increase in overall food expenditures. We are not able to determine the effect of FSP on the propensity to eat meals at restaurants, for which we find mixed and statistically insignificant results. Further, we learn that the marginal propensity to consume food out of food stamp income is close to the marginal propensity to consume food out of cash income. Therefore, providing food stamp benefits in voucher form leads to a minimal distortion of the consumption choice relative to what it would be if the benefit were provided in cash.

Food Stamps and Infant Health

In a second study, Douglas Almond, Schanzenbach, and I examine the impact of food stamps on infant health.9 As one of the largest anti-poverty programs in the United States—comparable in cost to the Earned Income Tax Credit (EITC) and substantially larger than Temporary Assistance for Needy Families (TANF)—FSP’s effects are important to understand both in their own right and for what they reveal about the relationship between income and health.

Interestingly, while the goal of the FSP is to increase the nutrition of the poor, few researchers have examined its impact on health outcomes. Thus, our first motivation was to quantify a potential health benefit of the FSP and, in so doing, to broaden our thinking about the benefits of the program. Our second aim, building on the work described above in which we find that the introduction of food stamps represents an exogenous increase in income for the poor, was to provide more general evidence on the impact of income on health. This is an important topic with little convincing evidence to date because of problems with endogeneity and reverse causality.

Again, we used the natural experiment afforded by the nationwide roll-out of the modern Food Stamp Program during the 1960s and early 1970s. We also looked at national Vital Statistics data on births and deaths in order to estimate the impact of FSP rollout on mean birth weight, low birth weight, gestation, and neonatal infant mortality. Infant health is of particular interest for this program because over 60 percent of food stamp households include children, and one-third of them have at least one pre-school age child.

We find that infant outcomes improve with FSP introduction. Changes in mean birth weight are small, increasing roughly half a percent for blacks and whites (averaged among the population participating in the program). The impacts are larger at the bottom of the birth-weight distribution, reducing the incidence of low birth weight among FSP recipients by 7 percent for whites and between 5 and 11 percent for blacks. Changes in this part of the birth-weight distribution are important because they are closely linked to other measures of newborn health.

We also find that FSP introduction leads to a reduction in neonatal infant mortality, although these results rarely reach statistical significance. Finally, we find very small (but precisely estimated) affects of FSP on fertility, suggesting that the results are not biased by simultaneous changes in the composition of women giving birth.

Early Life Interventions and Adult Economic and Health Outcomes

The availability of food stamps also may have an impact on individuals’ health beyond infancy. For example, to the
extent that improved maternal nutrition improves birth outcomes, later-life health outcomes of children born to mothers receiving food stamps may also benefit. In addition, the availability of food stamps throughout childhood may affect adult health and economic outcomes. Almond, Schanzenbach, and I use the county rollout of the food stamp program to specifically examine how availability of food stamps in childhood affects adult health and economic outcomes.11

We use the Panel Study of Income Dynamics and take advantage of its longitudinal structure. With this data, we can start with a cohort of children that we initially observe in 1968, follow them into adulthood, and observe their completed education, earnings, and such detailed health outcomes as general health status, height and weight, presence of chronic conditions, and work/activity limitations. Our results show that in utero exposure to FSP predicts later body weight outcomes, including lower obesity and more “healthy weight” ranges. We also find that in utero exposure to FSP is associated with lower rates of heart disease. Economic outcomes are also improved, with increases in high school completion and total years of education. We are currently extending this work to model one’s exposure to food stamps throughout childhood.

Work Disincentive Effects of Food Stamps

The food stamp program takes the form of a typical income support program — it provides some guaranteed benefit that is “taxed” away as a household’s earnings and income increase. As such, standard labor supply theory suggests that food stamps should lead to a reduction in work. This result stems from the income transfer nature of the program, as well as the reduction in marginal net earnings from taxing away the benefit. While this predicted work disincentive has been analyzed in other income support programs, such as Aid to Families with Dependent Children (AFDC)/TANF, far fewer studies have examined the effect of the food stamp program on labor supply. Schanzenbach and I use the PSID and Census to examine the impact of the county food stamp rollout on the family head’s employment, annual hours and earnings, as well as family income and poverty. Across all outcomes and samples, our evidence uniformly shows that the introduction of food stamps leads to reductions in employment, earnings, and income. However, the estimates are relatively modest and few of them are statistically significant. Together, these results suggest that there is a small, negative impact on income and work associated with the food stamp program.

The relatively modest size of these effects is perhaps not surprising given the low (for income support programs) benefit reduction rate of 30 percent in the food stamp program. In the AFDC/TANF program, where the work disincentive effects are estimated to be much larger, the benefit reduction rate is closer to 100 percent.13 To gauge the magnitude of the expected labor supply effects of the food stamp program, we simulate the impact of the program on annual hours worked in our PSID sample using estimated labor supply elasticities from the literature. These simulations yield very similar predictions to those estimated in our sample. We take this as a useful exercise which corroborates our estimates of modest work incentive effects in the food stamp program.

WIC and Infant Health

Another project with Marianne Page and Ann Huff Stevens exploits the variation in WIC program introduction across geographic areas and over time to examine its impacts on infant health as shown in the U.S. Vital Statistics data.14 We start with information that we collect on the year each WIC office opened across cities and counties. We then use a difference-in-difference model to relate birth outcomes to the availability of WIC benefits at the time the mother was pregnant.

We find that when WIC is made available by the third trimester of pregnancy, average birth weight in the county increases by approximately 2 grams. This estimated effect is driven by women with low levels of education and by women living in high poverty counties — precisely those women who are most likely to be eligible for program benefits. Among women with low levels of education, WIC increases average birth weight by 7 grams and reduces the fraction of births that are classified as low birth weight by 1.4 percent. Using estimates of WIC participation rates, we find that low educated women experience a 10 percent increase in average birth weight for children born to WIC participants. Since we find no evidence that WIC affects fertility, our estimates are unlikely to be generated by indirect effects on selection into birth.

6 For a discussion of these studies, see J. Currie, 2003.
7 See J. Ludwig and D. Miller, “Does Head Start Improve Children’s Life


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**NBER Profile: Pol Antràs**

Pol Antràs is a Research Associate in the NBER's Programs in International Trade and Investment and Economic Fluctuations and Growth and a Professor of Economics at Harvard University. A native of Spain, Antràs received his B.A. and his M.Sc. in Economics from Universitat Pompeu Fabra. He holds a Ph.D. in Economics from MIT.

Antràs joined the Harvard economics faculty in 2003 as an Assistant Professor and was promoted to Professor in 2007. During 2007–9, he directed the NBER Working Group on International Trade and Organizations.

In 2009, Antràs received the Fundación Banco Herrero Prize, which is awarded annually to a Spanish social scientist under age 40. He is also a Member of the Editorial Board of the Quarterly Journal of Economics, the American Economic Review, and the Journal of the European Economic Association.

Antràs lives in Belmont with his wife, Lucia, and his newborn daughter, Daniela. In his spare time, he enjoys traveling and following his beloved F.C. Barcelona.