Age Differences and Macroeconomic Effects On Food Stamp Program Participation

So Yeong Lim
Ph.D. Candidate
Department of Agricultural Economics
Purdue University
lim47@purdue.edu

Susan E. Chen
Assistant Professor
Department of Economics, Finance and Legal Studies
University of Alabama
sechen@cba.ua.edu

Brigitte S. Waldorf
Professor
Department of Agricultural Economics
Purdue University
bwaldorf@purdue.edu

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Introduction

Motivation

Well-known: persistent macro-economic effects on the duration of welfare participation (Fitzgerald, 1995; Hoynes, 2000; Riber, 2005)

Little understood: age-specific effects of macroeconomic conditions on welfare participation probabilities.

Significance: essential to predict future demand for food stamp benefits in view of the aging US population.

Goals of Study

Investigation of:
• age differences in transitions into and out of the Food Stamp Program (FSP);
• macroeconomic impacts on FSP transitions;
• age differences in macroeconomic effect sizes.

Note: The FSP is currently called Supplemental Nutrition Assistance Program (SNAP).

Conceptual Framework

Data


Samples

Potentially FSP/SNAP-eligible persons:
• income < 200% of poverty threshold
• authorized to receive FSP/SNAP benefits
• actually participated in the FSP/SNAP

1. Entry sample (N=297,810)
Household-month observations without participation in previous month

2. Continuation sample (N=100,170)
Household-month observation with participation in previous month

Table. FSP Participation Spells by Age

Age | 0.0 | 20-29 | 30-39 | 40-49 | 50-59 | 60+ | Total
---|-----|-------|-------|-------|-------|-----|-------
Mean spell length (months) | 8.0 | 11.2 | 11.3 | 11.5 | 12.0 | 12.0 | 11.1
Number of spells | 217,120,763,125,126,123,124,125 | 3,150,3,153,3,153,3,153,3,153 | 2,167,2,157,2,052,1,886,1,398,1,386 | 1,358,1,358,1,358,1,358,1,358,1,358 | 2,17,2,17,2,17,2,17,2,17 | 9,106,9,106,9,106,9,106,9,106,9,106 |
Source: Author's own calculation using SIPP 2004 panel

Method

Transitions into and out of the FSP/SNP

Random Effects Probit

Results and Discussion

Table. Parameter Estimates – Entry and Continuation Models

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
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<tbody>
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<td>20-29</td>
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References

Southern Economic Journal 71 (3), 514-534.

Contact Information
Please contact lim47@purdue.edu for more information.