



Discussion:
The Effect of Safety Net Programs on Food
Insecurity

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Summary

Main objective: Investigate how level of benefits received from the safety net as a whole and their distribution between cash, food, and health insurance affect food insecurity

Programs studied: TANF, SSI, EITC, SNAP/WIC/NSLP, Medicaid/CHIP

Created benefits calculator shows substantial state and time variation in the level and composition of benefits, aggregate generosity of safety net

Causal effect of program generosity on food insecurity is identified by exploiting within-state changes over time in eligibility and benefit determination rules

Data: CPS 2001–2009, focus on families with income < 300% FPL

Main results:

- Safety net affects food insecurity. For example, each \$1,000 in combined potential benefits reduces low food security by 2 percentage points (base rate is 33%)
- Authors do not find evidence of differential effects for cash vs. food benefits

Evaluation

Novelty:

Authors investigate how *non-food* safety net programs affect food insecurity, whereas existing literature tends to only look at food program participation effects. Authors study multiple programs jointly

Strong points:

- Paper provides much institutional detail on safety net programs
- Descriptive analysis shows trade-off between cash and food benefits
- Impressive data work performed, esp. when imputing benefits
- Endogeneity of potential and received benefits is recognized

Weak points:

- Absence of theoretical (conceptual) model of household behavior
- Absence of analysis of measurement error in imputed benefits
- More work is needed to justify the IV strategy employed

Substantive Comments

Key econometric issue: good IVs are critical to identification of causal effects. However, it is not entirely obvious to me that proposed IVs (i.e., simulated cell average benefit levels) are actually valid here:

- If policy parameters (which determine generosity of benefits) respond to state-and-time-specific shocks affecting low-income population, then simulated benefits could be endogenous in the context of estimated Eq. (1), i.e., they could be non-orthogonal to u_{icst}
- No formal tests were performed to assess validity of proposed IVs. Perhaps consider OIR tests when there is more than one IV

Key modeling issue: it is not entirely clear to me why it is interesting to estimate effect of *potential* (as opposed to actually received) benefits on food insecurity and how to best interpret estimates of β_1 . A problem here is that effect of potential benefits on food insecurity may confound (1) effect of actually received benefits on food insecurity with (2) effect of potential benefits on the benefit take-up propensity

Other Comments and Suggestions

Should price differences across states be taken into account? There may be substantial variation across states in *price-unadjusted* benefits, but less variation in price-adjusted benefits. Effectiveness of benefits in reducing food insecurity may depend on local food prices. Also, the distribution of benefits as cash vs. food vs. health insurance may be endogenous with respect to prices in the state

Some assumptions used for TAXIM—e.g., no taxable pensions and no childcare expenses—seem very strong and could result in substantial measurement error. Can you quantify the extent of such measurement error (perhaps on a small sample of families with more detailed data)?

LPM has well-known limitations. Did you consider approaches that explicitly account for binary nature of food insecurity variable?

The motivation provided for inclusion of many of the control variables is very brief/nonexistent. Perhaps you may want to expand the discussion

Minor Issues I

In Introduction, provide some examples for how many families receive benefits from multiple programs (perhaps use data from Table 1)

p. 2: “were defined as food insecure by” → “were food insecure as defined by”

Perhaps merge Introduction with Background and Motivation

Some of the material in Appendix A could be presented in the main text body and could help to further motivate the research and show novelty

In Figure 2, clarify that “\$2005” means (real) dollars as of the year 2005

Also, clarify if calculations underlying Figure 2 are novel (rather than borrowed from elsewhere)

p. 7: “medical assistance” → “public health insurance”

On p. 42, the definition of “family” includes cases with two parents. It would help to tone down a claim elsewhere that you focus on single-parent families

Minor Issues II

On p. 45, explain the abbreviation “OASDI” (old age, survivor and disability insurance) or just use the term “Social Security” throughout

p. 50: “Packages also vary the local level” → “Packages also vary at the local level”

Table 2: If immigrant families are excluded from the sample, what is the purpose of considering indicators for TANF and SNAP “new non-citizen eligibility” policy rules?

Table 2: Clarify the time frequency for imputed benefits. These are *annual* benefits as far as I can judge

Appendix Table 1: Clarify the difference between the terms “Simulated” and “Imputed” in the table notes

On p. 11, the statement “...program participation is not reported in the December CPS...” is not accurate. December CPS–FSS files provide information on participation in several food programs, for example

Minor Issues III

Appendix Table 2: the “Percent Change...” column reports fractions rather than percentages (i.e., multiple all numbers by 100%)

Clarify why in Eq. (1) on p. 12 you need an index for demographic cell (c). This is due to the specific IV strategy that you employ

The notes to Table 4 (among other tables) say “Weighted by CPS sample weights.” Does this mean that you use CPS sample weights to weight observations during IV estimation? If true, it makes little sense to do so, because you already control in your estimation for individual characteristics that affect the construction of CPS weights (e.g., race)

Placebo tests (p. 26) need to be better explained