# The Great Recession and the Changing Geography of Food Stamp Receipt

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# Introduction and Background

- The 18-month recession spanning Dec. 2007 to June 2009 ranks as the worst US contraction since Great Depression of 1930s
- With origins in the collapse of the housing market, the “Great Recession” led to systemic crises in the financial sector and labor market
  - Major labor market dislocations, wealth destruction, and declines in consumption
  - Multifaceted and large-scale federal response to mitigate economic damage in the form of bailouts and stimulus spending

# Introduction and Background

- Scope of crisis raises questions about degree to which existing forms of disadvantage were exacerbated and/or new forms of inequality created
- Great Recession distinctive in driving up unprecedented participation in the Supplemental Nutrition Assistance Program (SNAP)
  - Between 2007 and 2011 monthly SNAP rolls climbed from ~26 million people (or 1 in 11 Americans) to ~45 million people (or 1 in 7 Americans)

# Introduction and Background

- Most research on SNAP dynamics has focused on individual/household or state-level data
- However, two studies have shown that local-level characteristics exert significant influences on SNAP receipt (Goetz et al. 2004; Slack & Myers 2012)
- Demonstrate that county-level food stamp receipt regionally concentrated/clustered (not spatially random)
- Impacts of downturn also spatially patterned
  - For example, NV, FL, AZ, CA, and MI

# Research Objective and Questions

- Seek to understand the changing geography of SNAP receipt during the Great Recession
- **Q1:** How did SNAP receipt change across counties between 2007 and 2009?
- **Q2:** What other types of local-level change were associated with change in SNAP participation at the county level?

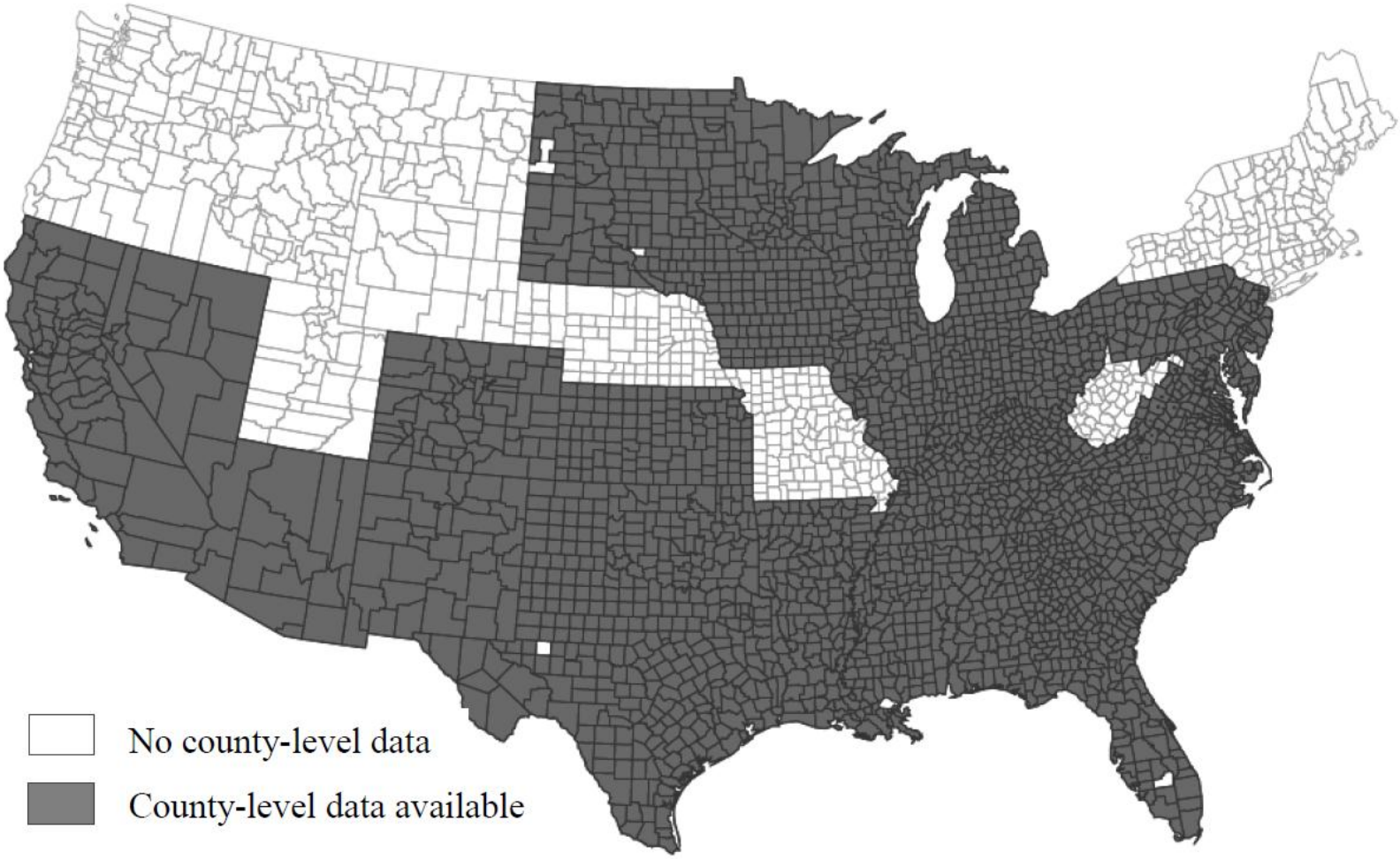
# Data and Methods

- Draw data from the USDA, US Census Bureau, US Dept. of Labor, and US Dept. of Housing and Urban Development (HUD)
- Counties are our unit of analysis
- Use descriptive statistics, mapping, and weighted least squares spatial regression models

# Dependent Variable

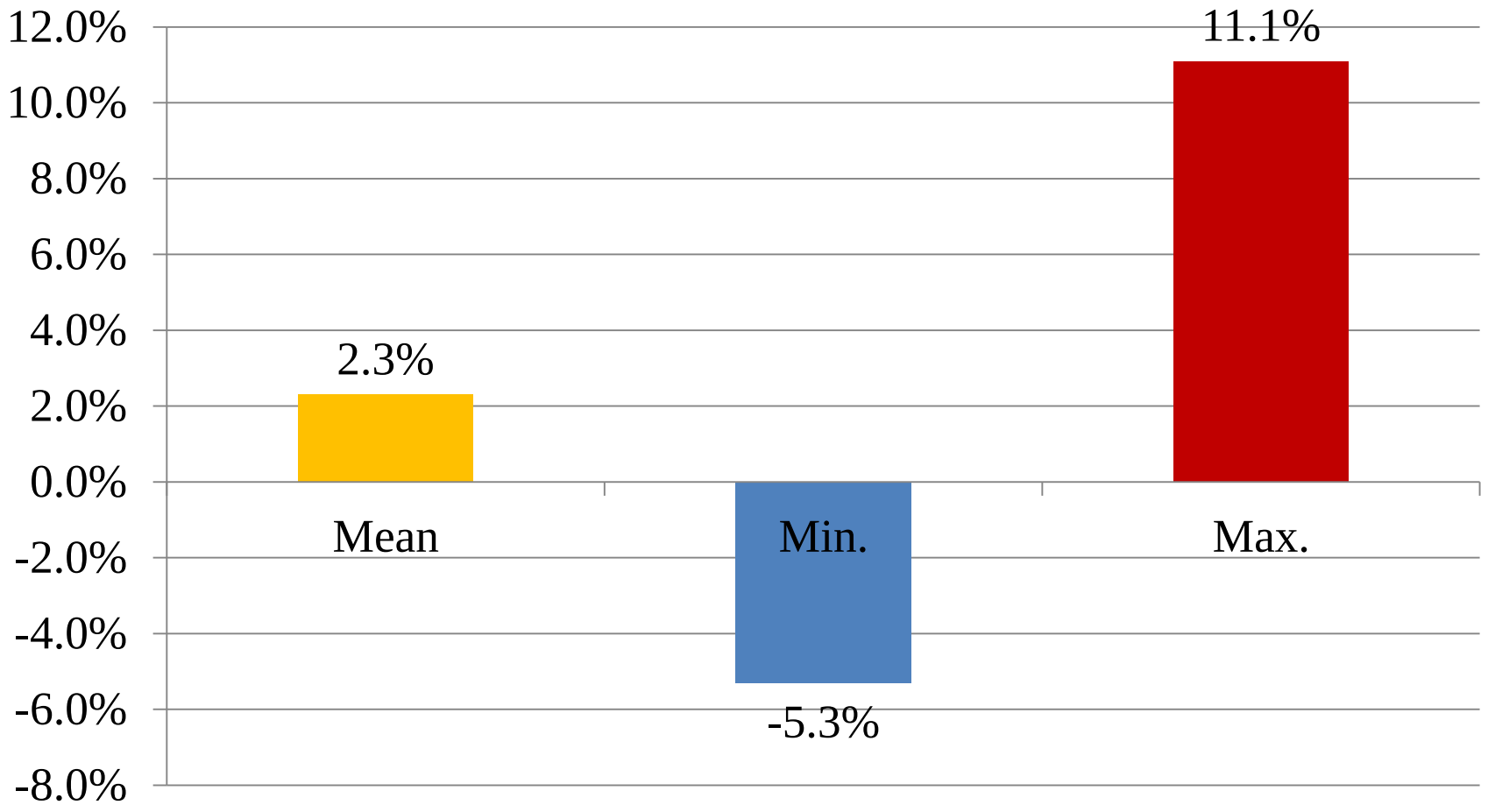
- Data from USDA FNS
- Percentage-point change in SNAP receipt between 2007 and 2009
  - Percent county population using SNAP in 2009 minus percent county population using SNAP in 2007
- Focus on contiguous US
- FNS does not provide county data for 16 states
- Total sample of 2,485 counties in 32 states and the District of Columbia

# Data Coverage

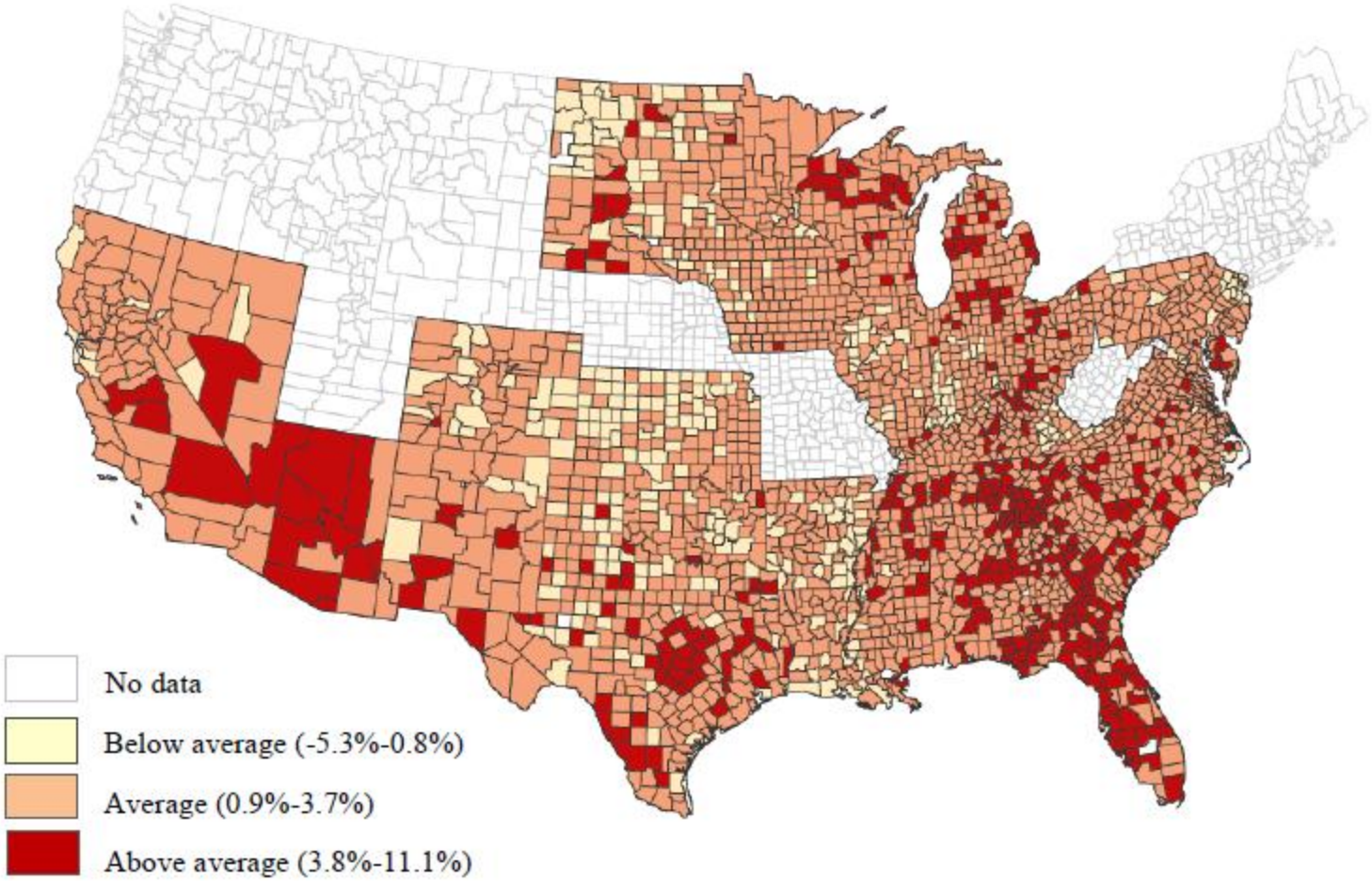


# Independent Variables

- Data from Census Bureau, USDA, Dept. of Labor and HUD. (All percentage-point change, unless dummy variable).
- **Poverty Experience**
  - % poor; persistent poverty (1=yes)
- **Labor Market Conditions**
  - % unemployed; % secondary/peripheral jobs
- **Population Structure**
  - % female-headed families, % total population change; % 65 and older; % under age 18; % black; % Latino; % foreign-born
- **Human Capital**
  - % less than high school; % limited or no English
- **Residential Context**
  - Foreclosure rate; segregation of poor vs. nonpoor, black vs. white, Latino vs. white; MSA < 1 mil (1=yes), micro (1=yes), and noncore (1=yes)



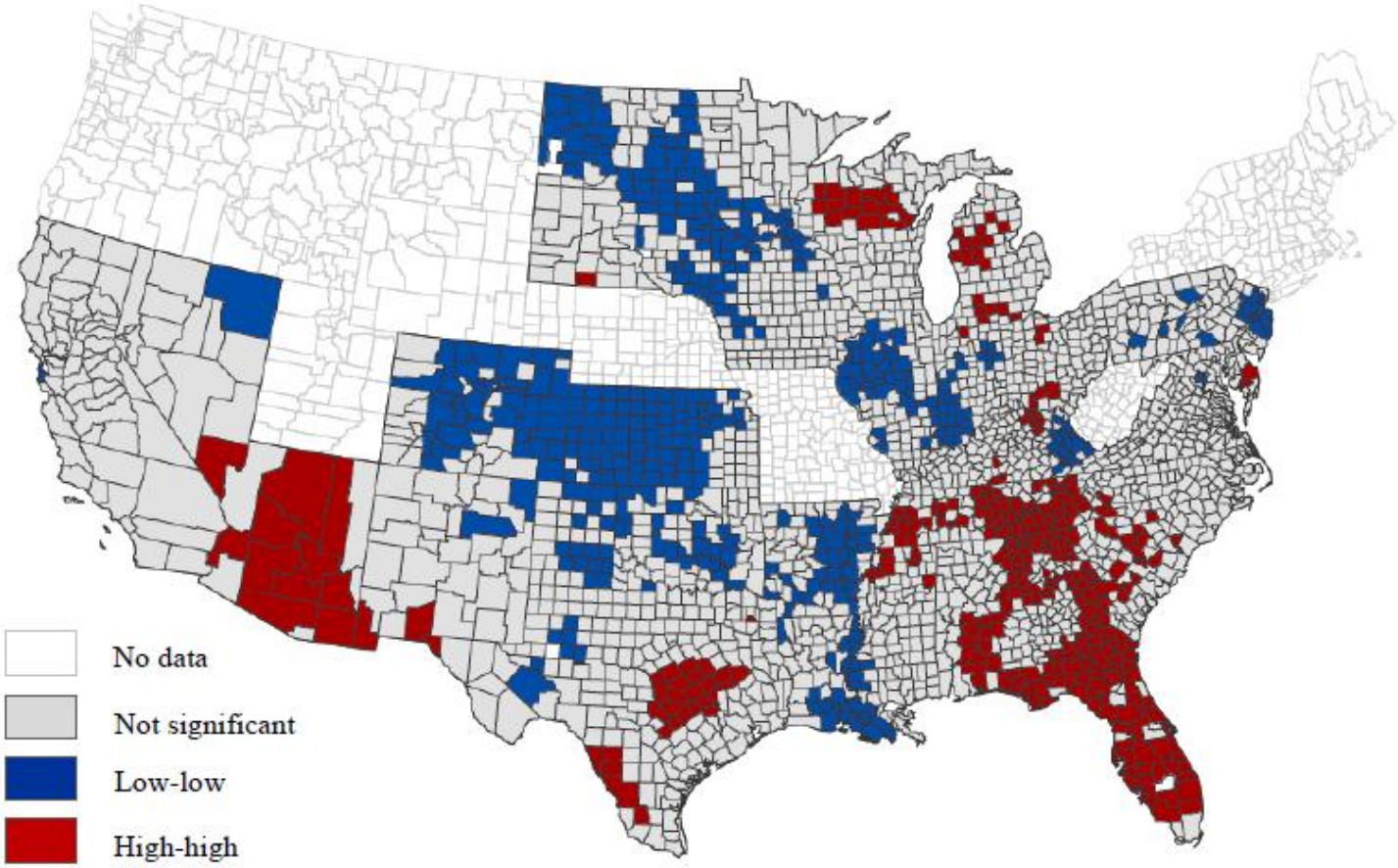

**Percentage-point change in county-level SNAP receipt, 2007-2009**




**Change in county-level SNAP, 2007-2009**

*Source:* US Department of Agriculture.

*Notes*: 'Below average' is more than one standard deviation below the mean, 'average' is within one standard deviation of the mean, and 'above average' is more than one standard deviation above the mean.




**LISA map of county-level change in SNAP receipt, 2007-2009**

*Source:* US Department of Agriculture.

*Notes*: Moran's I = 0.47. 'Low-low' refers to counties at the center of geographic clusters with significantly lower change in food stamp receipt than would be expected at random. 'High-high' refers to counties at the center of geographic clusters with significantly higher change in food stamp receipt than would be expected at random.

# Regression Model Specification

- Aim is to identify local-level changes with significant linkages to changes in county-level SNAP receipt during the Great Recession
- Weight model by total county-level population size
  - OLS would weight all counties equally, such that a percentage-point change in a county with a population of 100 would exert the same influence as a county with a population of 1 million
- Control for state fixed effects and spatial "neighbor" effects

# Regression Model Results

- Shows significantly greater increases in SNAP receipt in places characterized by:
  - Micropolitan (small town) settings
  - Increases in poverty
  - Increases in unemployment
  - More home foreclosures
  - Increases in Latino populations
  - Increases in SNAP receipt among neighboring locales

# Regression Model Results

- Shows significantly less change in SNAP receipt in places characterized by:
  - Persistent poverty
  - Increases in single female family headship
  - Increases in older populations
  - Increases in black populations
  - Increases in less educated populations
  - Increases in poor/non-poor segregation

# Conclusions

- Local-level change in SNAP receipt was responsive to the signature characteristics of the Great Recession (e.g., poverty, unemployment and home foreclosures)
- Less change associated with factors that have traditionally been linked to high SNAP receipt (e.g., persistent poverty)
- Particular increases in SNAP receipt in micropolitan (small town) settings

# Policy Implications

- SNAP was very responsive to increased hardship created by the Great Recession
  - Stands in stark contrast to TANF
- Local and regional configurations matter
  - Suggests opportunities for regionally targeted programmatic outreach
  - Suggests opportunities for building inter-state regional networks among service providers
  - Supports current FNS efforts to work with local community partners on SNAP outreach and education

# Policy Implications

- SNAP is an effective form of local economic stimulus in the context of an economic crisis
  - USDA estimates that every $1 invested in SNAP in a community generates an additional $1.80 of spending in the local economy
- Raises questions about wisdom of cutting SNAP funding in the context of a slow and unequal recovery