

>> Roz Naylor: Hi. I'm Roz Naylor. I direct the Center on Food Security and the Environment at Stanford University and today, I have the great pleasure of talking to Hilary Hoynes who holds the Haas Distinguished Chair in Economic Inequality at the Richard & Rhoda Goldman School of Public Policy at Berkeley-- University of California, Berkeley. So, Hilary, it's our great pleasure to talk to you today about income inequality, about the role of the food stamps or Supplemental Nutrition Assistance Programs, SNAP, as we refer to it, and about how poverty and food insecurity interact. So, I would love to ask you some questions. You'll be giving a longer lecture, which people can hear. But I was just curious when you came into this field and started looking at issues of poverty and inequality, food insecurity. What brought you into the field? Why were you so interested?

>> Hilary Hoynes: For most of my career, I've been looking in some way at poverty and in particular the relationship between poverty and the social safety net in the United States in a domestic setting. And I think that the origins of my interest in that in part come from the fact that when I was an undergraduate at Colby College, I had a couple of amazing professors that got me very interested in issues that were kind of couched in urban economics and problems of cities. And I think that was one origin of how I got interested in and I grew up in Madison, Wisconsin. Both my parents worked at the university and my mom actually worked at the Institute for Research on Poverty, which is an institute that still exists today and was funded and is funded by the Department of Health and Human Services as one of the poverty centers, as another poverty center here at Stanford, headed by David Grusky. And so it was this kind of-- I think kind of in the ether for me in terms of issues and interests in the disadvantaged population and how the policies that exist or could exist might affect those outcomes.

>> Roz Naylor: So, what is the connection just broadly between poverty and food insecurity in this country?

>> Hilary Hoynes: So, food insecurity is a relatively recent measure that the US has kept track of, I think. In the mid 1990s is when we first started measuring food insecurity. And there's a very strong relationship in the data between income and food insecurity. And so, you see for example if a family has income below the poverty line, the risk of being food insecure might be four or five times as high as it is for a family with income above the poverty line. So, in a way that seems very not-- you know, that's not a surprising correlation of the data given that the way that we measure food insecurity and what it's capturing is really about the inability of resources, either some combination of money and time that allow for having a balanced healthy access to nutrition and calories.

>> Roz Naylor: Yeah. And a lot of us think about that food is just something we always have had and you don't think about having to scap your pennies to put food on the table, but so many people do. Is there different dimensions of this either ethnic dimensions, age groups, is it-- go across age groups or certain regions that you see it more intense, the connection between poverty and food insecurity?

>> Hilary Hoynes: Well, I think if you've looked at the data on food insecurity and look at the incidence of food insecurity across groups, you would see the same patterns in terms of groups that have higher versus lower risks of food insecurity would very much mirror the underlying levels of inadequate income or poverty across groups. So, in the United States one of the groups with the highest level of poverty and also the highest level of food insecurity is actually children. The elderly have-- tend to have much lower levels of poverty and lower levels of food insecurity. So, you tend to see higher levels of food insecurity in those same groups where you-- where you see high levels of-- of material deprivations. That would be single headed households, ethnic and racial minority groups, children, those with lower education levels tend to be the groups with the higher levels of food insecurity in the United States.

>> Roz Naylor: So, what would it look like for a child who is food insecure? They're in a family, what does their day look like in terms of meals or access to meals? I mean, are they-- What are the struggles that they're facing sort of on a day-to-day basis?

>> Hilary Hoynes: Well, one very important thing about food insecurity in the modern economy is it's not necessarily about a lack of calories. But it's about a lack of quality, it's about a lack of regularity. And so, the 10 questions that the USDA ask families which is the-- the origin of what-- how the USDA classifies households if it is food insecure or not would be things like have you ever skipped a meal? Is there a time that you worried about the availability of food before putting food on the table and things of that sort. So, those are the kinds of characteristics that underlie the conditions of food insecurity for families with children in the United States.

>> Roz Naylor: Great. So, probably a lot are going to school without having had breakfast.

>> Hilary Hoynes: Exactly.

>> Roz Naylor: Maybe they get a school lunch. In the summers they probably don't. So that--

>> Hilary Hoynes: Exactly.

>> Roz Naylor: Yeah, very, very interesting. So, a number of people will say, OK, we don't really have this problem because we have this big social safety net here in this country called Supplemental Nutrition Assistance Programs, SNAP, or food stamps. Can you just give us the elevator talk definition of what is SNAP and a brief history of when it came about?

>> Hilary Hoynes: Sure. So, SNAP is the largest food nutrition program in the United States, about 75% of the-- about the kind of transfers that USDA makes and-- including things like school lunch and school breakfast and so on is SNAP. So, we now have something like 45 million people who receive SNAP in the United States. It was very high in the great recession and it's starting to come down. So, SNAP is a, you know, an income assistance program. You need to have income generally below about 130% of the poverty line to be eligible for SNAP. So, this is a program that is for households who have low means of support. And it's been around since it was started in the kind of war on poverty period in the 1970s and has been available in the

United States nationwide since about 1975 in all places. And you know, it provides a sort of supplement to households purchases of food, so the average benefit is about \$250 for a family, or if you work it out it's 4-- about \$4 per person per day, is what the average SNAP benefit is.

>> Roz Naylor: So, do you think most of the food insecure people in this country are actually fully covered by SNAP? I mean are they-- Are we OK with just having these entitlement programs or are we also relying a lot on more volunteer, you know, food banks and so forth? How are those numbers coming out?

>> Hilary Hoynes: Well, what we know for a lot of sort of consistent research and evidences that SNAP does lower the incidence of food insecurity. It does not lower it to zero, and there are groups that for one reason or another are still food insecure or without-- and/or don't-- don't have access to SNAP that participation isn't 100%. There are some groups who have income levels that are above the eligibility point but still so some incidence of food insecurity. So, it does not lower the incidence to zero, but it does markedly reduce the incidence of food insecurity.

>> Roz Naylor: So, you spend lot of time digging in to the details here. What are some of the successes with SNAP and some of the failures that you've seen and what kinds of impacts is it having, do you think, on child nutrition, for example?

>> Hilary Hoynes: So that to me the really core interesting thing about SNAP is if you look as far back as the original legislation in the 1964 Food Stamp Act and all the way to today, when people talk about food stamps, they talk about what I sometimes refer to as the two pillars of what underlie this program. And one pillar is this is a nutrition program. This is a program that is trying to get more resources to families and others in order to increase their spending on food and to provide a balanced and nutritious meal for individuals with low income. At the same time it's also a basic subsistence program that's providing sort of key resources to families that have low income and-- and over time the share of families on food stamps who have workers in the family is by far the majority of household. So in part we have a situation in the United States where wages for less skilled workers are not keeping up with inflation. Family incomers are going down or certainly not increasing, if you have an education level, you know, less than a college graduate. And so, what we see over time I think is that more sort of need to have the social safety net try to make up for some of those declines in earnings that are happening through other forces going on in the labor market.

>> Roz Naylor: Yeah.

>> Hilary Hoynes: And the two main ways that that's going on for families is SNAP and also the earned income tax credit which is a-- Those are the two main sources of sort of supplementing earnings that are taking place in American families. So I think one of the success stories of SNAP on the first level is how important it is for keeping children and families out of poverty. So, it is the first or second largest anti-poverty program for children in America and that's something that most people don't know.

>> Roz Naylor: Yes, exactly.

>> Hilary Hoynes: It targets people that are not the poorest of the poor but they tend to be very much a lot of working poor families, and it's very important for that in that regard. So that's-- That's number one. And number two, as we'll have a chance to talk more about later today, there's a-- There's a sort of new series of studies that are coming out that are-- that's trying to quantify the importance of SNAP and other elements of the safety net is going on across other-- across other sort of areas and try to understand the relationship between the availability of the safety net, particularly for children as they grow up and the extent to which that in some way protects them or improves their outcomes, either health or economic outcomes in adulthood. And so, we're just, I think, at the very beginning stages of trying to understand and quantify what can be some sort of unmeasured benefits of the social safety net broadly that have not really got much attention.

>> Roz Naylor: Yeah, that's so interesting. So, it's really the long run benefits of investing in feeding people in this country. So I can imagine kids that don't have enough nutrition to go to-- when they go to school aren't really focused on school and they probably do very poorly and don't take advantage of our educational system. Or the same with the health, have a variety of health impacts that might actually debilitate them over time. So, as we have more gaping inequality in this country, so many of the people actually that are on food stamps have two working, you know, parents in that household and many have had college degrees even and but mostly at the high school level. And so you're seeing the inequality really panning out in terms of our needs over time it sounds like.

>> Hilary Hoynes: Well, it's absolutely the case that we, you know, there's sort of two dimensions of inequality that are important to point out. There is the attention on the very top earners, you know, the top 1% and you know, the work by my colleague at Berkeley, Emmanuel Saez and so on that's really documenting the greater and greater gains in income that's occurring to the very top of the distribution. So, that's sort of one side. The flip side of that is what's happening at the lower end. And that's you know, sort of where my work is focused on. And, you know, that the story is on the one hand, we've measured poverty in America for now since the early 1960s and the original definition of poverty that we devised in the early '60s is still being used today. The official poverty measure in America is essentially calculated in the same way as it was in the early '60s. And if you look at that poverty measure, the share of children in poverty, if anything, looks like it's sort of been increasing since the mid 1970s, very much following the declines of income and wages for these low skilled groups. That's very troubling and very discouraging, especially for many who have invested and pushed so hard for these expansions of the social safety net. But it turns out that that original definition of poverty was defined circa-- the social safety net that we had in the early 1960s and in particular it's a cash income poverty measure. So, in particular, what that means is any benefits you get from SNAP are exclusively not counted as resources for calculating poverty by official statistics. So, we've recently had the release through the census of a new poverty measure, doesn't replace the old one that it's released in parallel to it, called the Supplemental Poverty Measure. And

that updates poverty in the United States and in particular ways including counting things like SNAP in the earned income tax credit as part of the family budget, which it clearly is. And what you see with that in the trends over time is that while it doesn't lower the poverty rate to zero, there's still a very persistent share of families and children that are poor but we see a little bit more the improvement over time as we've invested more in things like Medicaid, the EITC and SNAP over the last couple of decade. So, it's a slightly more optimistic, I think, opportunity to say the problems aren't gone but some of the investments that we've made do in fact show up in terms of improving outcomes.

>> Roz Naylor: Yeah, so-- Yeah.

>> Hilary Hoynes: And that's still a very kind of contemporaneous look. There's the issues of the long run impacts that also we're starting to learn more about.

>> Roz Naylor: Yeah. So, that's so interesting because essentially by providing SNAP and other entitlements you're pulling that poverty right down, right now.

>> Hilary Hoynes: Right.

>> Roz Naylor: To some extent, and that's important.

>> Hilary Hoynes: Right.

>> Roz Naylor: But also in the long run providing the sort of basic services to keep it down. So, in short, I mean if these programs are designed right and can right-- reach the right people, you could be really reducing that income gap over time which I suppose is what you're trying to do in your career.

>> Hilary Hoynes: Right.

>> Roz Naylor: Figuring out how to solve the inequality issue here, so that's fascinating.

>> Hilary Hoynes: And there's this incredible work going on around the US right now. There are people that are working on Medicaid. There are people that are working on other aspects of the-- of the sort of social security and the social safety net and there's a very consistent finding of greater expansion in resources and protection really when children are young and to the extent which that translates into better completed human capital, higher levels of earnings in young adulthood, longer-- you know, less healthcare cost. I mean these are things that sort of quite quickly start to get chalked up in terms of returns to an investment which is a really, I think, the way our thinking is starting to move.

>> Roz Naylor: Yeah.

>> Hilary Hoynes: At least in the research community and we're hoping that it's going to be getting out to the broader policy world.

>> Roz Naylor: That's excellent. What are the biggest challenges do you think right now in terms of the success in that?

>> Hilary Hoynes: I think right now by far the biggest challenge is the fact that there's a very large interest in Washington trying to push moving SNAP to a block grant. So, what is a block grant? A block grant is taking a fixed amount of resources and saying this is what we're dedicating to this program, that passing that income on to the states in order to essentially run their own mini programs with a cap in the amount of resources. And one of the things that has made SNAP so successful, something I haven't talked about yet is the fact that its entitlement means that it's a real quick responder when need happens. If you lose a job, if your hours are cut, if your income goes down, there's not a waiting list, there's not, you know, households aren't turned away because all the money has been paid out. In public housing, people can be on waiting list for years to go sponsor freed up. SNAP is an entitlement which means that it's there relatively quickly. It also means that in recessions, it provides a sort of macroeconomic automatic stabilizer which people have-- have analyzed and examined before. So, what we know from the block granting of-- another part of the social safety net was now called TANF, and what used to be called AFDC-- it's basic cash welfare-- is that it provided essentially no response in the great recession. There was not much reaction of that program in this time of incredible need. And so, many people have kind of examined and tried to understand that and sort of make the connection between the importance of having an entitlement and its ability to react in times of need, and a limitation of kind of block granting programs as sort of have this future to them. So, I think one of the biggest threats to SNAP and its potential to reach people in need and create the investments that we're talking about are these ideas around block granting and limiting essentially the entitlement nature of the program.

>> Roz Naylor: Yeah, sounds like they're being introduced by people that don't really understand the connection between the way entitlements are shaped and the outcomes they're likely to have. So I hope your work goes forward very fast in this area so we preserve the current system. I noticed that you have won a number of teaching awards and advising awards and I can-- I'm sure you inspire so many students not only in just teaching them the right kind of public finance approaches to take but also in terms of how to go about having a career in this area. What do you advise students if they want to get in to this area? What would you tell? What kind of training should they have? What do you think they should do to be successful like you've been in this field?

>> Hilary Hoynes: Well, one thing I've really learned, I spent most of my career in an economics department and I'm an economist and, you know, obviously that quite applied in the, you know, interest in this policy space where there's a very interdisciplinary tradition that's been present for decades and decades. And I think now that I also have an appointment and my anchor appointment is in a policy school, I'm even more drawn into an interdisciplinary setting.

So on the one hand, I obviously love economics. It has an incredible power and set of tools in order to kind of address these kinds of problems. But the more that I learn right now, the more that I think that our real ability to-- for example to learn more about the relationship between protection for children and access to nutrition and these investments in the long run, I find myself spending a lot of time with developmental psychologists and others who really understand more about these processes than I do. And so I don't think there's any one sort of academic road but I do think that one needs to follow the things that they're really interested in and I-- I don't think it takes much to convince students of that today.

>> Roz Naylor: Yeah.

>> Hilary Hoynes: I feel like back when I remember being in grad school and thinking about the choices, I felt like I had to be really strategic about what is it that I should be studying and is that going to create the right splash and all those things that one thinks about is a-- as part of your career. And one of the things that's so refreshing today is that people really, I think, this-- especially from undergraduates all the way up are very much following the things that really-- really are drawing them into the kinds of questions that they want to look at. And it's that passion and commitment that I think leads us to do our best work. And so that's--

>> Roz Naylor: That's it.

>> Hilary Hoynes: That's one thing that I always try to do. How many times does a PhD student, you know, sit in a chair across to me and say, well, I'm really interested in X but I feel like Y is the really hot area. And, you know, I've always sort of been one to say, you know, just follow the thing that you're really interested in because I suspect you'll do your best work in that area.

>> Roz Naylor: That's--

>> Hilary Hoynes: And it'll probably be satisfying to you in that way, so that's one thing.

>> Roz Naylor: That's great advice. Yeah. And I think a lot of students are really solution oriented on these big difficult topics now, so it's great, great advice. Well, we're looking forward to your talk and to sharing your talk with the public. So, thanks so much for coming to Stanford.

>> Hilary Hoynes: Thanks for inviting me.