DYNAMICS OF MACROECONOMIC SHOCKS ON FOOD ASSISTANCE PROGRAMS IN THE UNITED STATES

Madilyn Holmes & Senarat Dharmasena

Monthly national U.S. data for the period 1997-2012 associated with macroeconomic shocks and participation in food assistance programs were used to model dynamics using polynomial distributed lags and vector autoregression approaches. Contemporaneous causal flows of macroeconomic shocks and participation in food assistance programs were modeled using directed acyclic graphs. With a more accurate set of predictions associated with participation rates in food assistance programs based on macroeconomic drivers or shocks, policy makers will be in better position to assess program costs and to minimize errors in the budgetary process.

Key Words: Supplemental nutrition assistance program, SNAP, causality, directed acyclic graphs, macroeconomic shocks, distributed lags, vector-autoregression

JEL Classification: E66, C18, I18