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## *The Effects of the Macroeconomy and Welfare Reform on Food Stamp Caseloads*



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“The Effects of the  
Macroeconomy and  
Welfare Reform on Food  
Stamp Caseloads”

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By David Figlio,  
Craig Gundersen, and  
James Ziliak

For more information, contact  
Craig Gundersen at  
[cggunder@ers.usda.gov](mailto:cggunder@ers.usda.gov)

<http://www.ers.usda.gov>

**From 1994 to 1998,** there was an unprecedented decline in the number of food stamp recipients. During this period, the United States experienced the third

longest economic expansion of the twentieth century and the welfare system underwent a major transformation. These economic and policy changes occurred simultaneously with the substantial caseload decline, suggesting the decline was due to a combination of factors.

In this research, the authors quantify the relative impacts of these factors with the use of state-level data from federal fiscal years 1980 to 1998. The evidence suggests that macroeconomic conditions, as well as political factors, played a large role in explaining the state-to-state differences in food stamp caseload changes. Conversely, welfare policy changes explained very little of the state-to-state variation in the reduction of food stamp caseloads. These results indicate that a recession will lead to a substantial increase in food stamp caseloads.