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## *The Food Stamp Benefit Formula: Implications for Empirical Research on Food Demand*

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"The Food Stamp Benefit  
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**To discover the Food Stamp Program's effect on food spending, researchers often rely on regression models. These models show the distinct impact of food stamp benefits and cash income on food spending. This approach requires some source of independent variation in food stamp benefits.**

This article examines three sources of independent variation, which appear promising at first look: (a) variation in household size, (b) variation in deductions from gross income, and (c) receipt of minimum or maximum food stamp benefits. Based on results of a linear regression model with nationally representative data, 90 percent of the total variation in food stamp benefits is explained by gross cash income and household size variables alone. This finding raises concern about popular regression approaches to studying the Food Stamp Program.

