Project Title
Safety Net Generosity Effects on Child Wellbeing

Theoretical Focus
In the United States, low-income individuals bear a disproportionate share of the health burden attributable to financial hardship and chronic stress. Increasing the generosity of social safety nets can help reduce this health burden by enhancing financial resources but also by reducing health-damaging stigma among safety net program participants. Moreover, increasing safety net generosity could generate positive externalities among lower-income non-participants in the form of insurance against deprivation.

We exploit variation in Supplemental Nutritional Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) and Unemployment Insurance (UI) across state-years to evaluate the extent to which social safety net generosity improves child health and psychological well-being among individuals below median income (those 'at risk' of program participation) and individuals below the federal poverty level (those exposed to program participation). We take advantage of two rich data sources to do so. The first is the PSID-CDS; the second is a novel dataset assembled by the investigator and her team describing social safety net benefit generosity across states for the years 1997-2007.

Data and Measures
Our state-level generosity data include all US states (excluding the District of Columbia and Alaska). Our time frame (1997-2007) encompasses the years following the 1996 federal welfare reforms but prior to the economic recession beginning in 2007. We drew data on SNAP and UI expenditures from the RAND Corporation's 'Transfer to Persons' dataset and TANF expenditure data from the Office of Family Assistance; caseload data were acquired separately for each program from historical series provided by the administering government agency. Using the expenditure and caseload data, we calculated a generosity score for each program in each state-year by divided annual expenditures by the total number of person-weeks and expressing this as a proportion of the median state weekly income for that year. We then created our predictor variable, *composite generosity score,* by adding the three proportions (TANF, SNAP and UI). This score, in which higher values reflect greater generosity, represents the share of average weekly income that would be covered if someone were to collect benefits from all three programs in a specific state and year.

Our individual-level data is drawn from the PSID-CDS. We focus our analysis on CDS sample children, their primary caregivers, and the households in which they live. We first limit our sample to those below median income because this is the population for whom safety net generosity might plausibly be influential. We include all children in households having reported a total income below the state-level median income at any point between 1997 and 2007. In additional models, we restrict our analysis further to include only those respondents below the federal poverty line based on family size and household income.

We operationalize *child health status* using caregiver's responses to the question "In general, would you say the child's health is excellent, very good, good, fair, or poor?" (values ranging 1-5, reverse coded). Our measure of *child psychological well-being* indicates how often a child reports of feelings of discouragement (values ranging 1-6, where 1 is 'never' and 6 is 'every day'). Individual-level time-varying covariates include the following variables: age, head-of-

household education level and household income adjusted for family size. At the state-level we include poverty rate, unemployment and percent nonwhite.

Research Methods
The considerable variation over time in safety net generosity and a large number of below median income children with multiple observations in the CDS between the years 1997 and 2007 allows for a fixed effects approach with state and child-level fixed effects. Using this technique, we control for time-invariant macro and micro-level unobserved heterogeneity that may otherwise bias estimates of the safety net effect.

Preliminary Results
Our preliminary analysis suggests that state social safety net generosity has a positive association with child health status reported by the primary caregiver and a positive association with child psychological well-being; these results are significant in the case of the former.

Variable	Sample	Coefficient	p-value
Child Health Status	Below Federal Poverty Line	0.702	0.022
Child Health Status	Below Median Income	0.727	0.003
Child Discouragement	Below Median Income	-2.829	0.196

Future Analyses
Ancillary analysis using alternative outcomes suggest no significant relationship between social safety net generosity and childhood obesity or parental distress. To further investigate the results of our core and ancillary analyses, we plan to pursue the following avenues:
1. fit ordered probits and logistic models in addition to the initial linear specifications presented here. We also plan to employ various weighting and matching techniques (propensity score matching, coarsened exact matching, inverse probability weighting, entropy balancing) as alternatives to within-estimation where repeated observations are few.
2. extend our state-level time series through and merge with the PSID's *Transition to Adulthood Survey* (TAS) data. Including data for these years will increase the size of our analytic sample, thereby enhancing statistical power. It will also permit us to examine the links between safety net generosity and well-being in the context of the Great Recession and to understand the long-term relationship between state social safety net generosity and child health outcomes across the life course.
3. explore the relationship between state social safety net generosity and child academic achievement. Exposure to childhood poverty has been strongly associated with lower educational attainment; this research will provide additional insight into how safety nets may affect life chances in early life.
4. further develop our generosity measure by including enrollment and eligibility criteria. This refinement provides a more thorough picture of the particular characteristics of safety nets that influence well-being among participant and at-risk populations.