

Health Care Expenditures, Financial Stability, and Participation in the Supplement Nutrition Assistance Program (SNAP)

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The primary objective of the study is to determine the effects of health care expenditure on the Supplemental Nutrition Assistance Program (SNAP) participation, especially among low-income families. Using nationally representative longitudinal data drawn from the 2003-2011 Panel Study of Income Dynamics (PSID), this study investigated how changes in families' out-of-pocket health care expenditures affected SNAP participation, and whether such influences, if any, were associated with the lower asset holdings. This study further investigated whether liquidity constraint was a mediator that could aggravate the association between health care expenditure and SNAP participation. Income and income drop, current and past health conditions, insurance coverage, demographic characteristics, and state and year effects were controlled. The results indicate that an increase in health care expenditure was positively associated with SNAP participation. Liquidity constrained households were more likely to receive SNAP. Furthermore, financial asset ownership of households was found to influence the association between increases in health care costs and SNAP participation. Implications for future research and policy are presented.

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