

Harvard Kennedy School Study Shows Monthly Cash Benefits Improve Health and Access to Health Care

A study co-authored by Harvard Kennedy School Professor Jeffrey Liebman adds to our understanding of guaranteed income programs.

Cambridge, MA -- A groundbreaking new study published in the [*Journal of the American Medical Association*](#) examining a cash benefit program administered in the city of Chelsea, Massachusetts, found that recipients had significantly improved health outcomes, including fewer visits to the emergency department, fewer admissions to the hospital from the emergency department, and fewer emergency department visits related to substance use. The study also suggests cash benefit programs can improve access to health care: cash benefits increased visits to subspecialists, especially to clinics further away from Chelsea and for those without a car.

Led by Sumit Agarwal, a physician and health economist at Brigham and Women's Hospital, Harvard Medical School Professor Benjamin Lê Cook, and Professor Jeffrey Liebman, the director of Rappaport Institute for Greater Boston at Harvard Kennedy School, the study is one of the largest and most rigorous to date about the effects of cash benefits on health – leveraging a randomized lottery and administrative health care records. The authors found that cash benefits led to 27% fewer emergency department visits, including 62% fewer emergency department visits for behavioral health reasons, and 42% fewer admissions to the hospital from the emergency department.

“The worries and uncertainty that come from living in poverty lead to worse health, particularly mental health,” Agarwal observed. “Our findings suggest that, by reducing financial strain and improving economic resilience, cash benefits can lead to fewer visits to the emergency room for depression, anxiety, suicidal ideation, and substance use.”

The study found that Chelsea's program led to 87% fewer emergency department visits related to substance use. This finding is important because it provides evidence against a commonly-heard concern that giving people cash will lead to greater consumption of alcohol and drugs.

“Families facing economic hardships have a wide range of needs,” Liebman said. “The great strength of unrestricted cash benefits is that each family gets to choose how to use those funds. In the set of research papers that have come out of the Chelsea Eats experiment, we have seen families benefit through better health, improved nutrition, and gains in overall financial well-being.”

About the Rappaport Institute for Greater Boston



The Rappaport Institute for Greater Boston strives to improve the governance of Greater Boston by strengthening connections among the region's scholars, students, and civic leaders. A university-wide entity housed at the Harvard Kennedy School, the institute pursues this mission by promoting emerging leaders, producing new ideas, and stimulating informed discussion. The institute was founded and funded by the Phyllis and Jerome Lyle Rappaport Charitable Foundation which promotes emerging leaders in greater Boston.

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