

Social and Economic Policy Effects on Behavioral Health

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Infrastructure for Behavioral Health Disorders
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About Me

- Discipline: Economics, including inter- and multi-disciplinary collaboration with neuroscientists, physicians, developmental and cognitive/social psychologists
- Professional focus: Children and families, primarily in the U.S. and primarily in context of social policy
- Topics of expertise: Policy supports for early childhood including welfare to work, housing subsidies, cash transfers
- Methodologies: Randomized control studies; broad considerations of design, delivery and intervention impact
- Contributions: Basic science and evidence for policy

Today's Talk

- Scope of Current Policies
- Framework for Understanding Policy Impacts
- Evidence for Policy Effectiveness
- Gaps and Challenges

Scope: Social and Economic Policy

Income support

- EITC and Tax credits
- TANF*

In-kind support

- Food stamps, housing, Medicaid

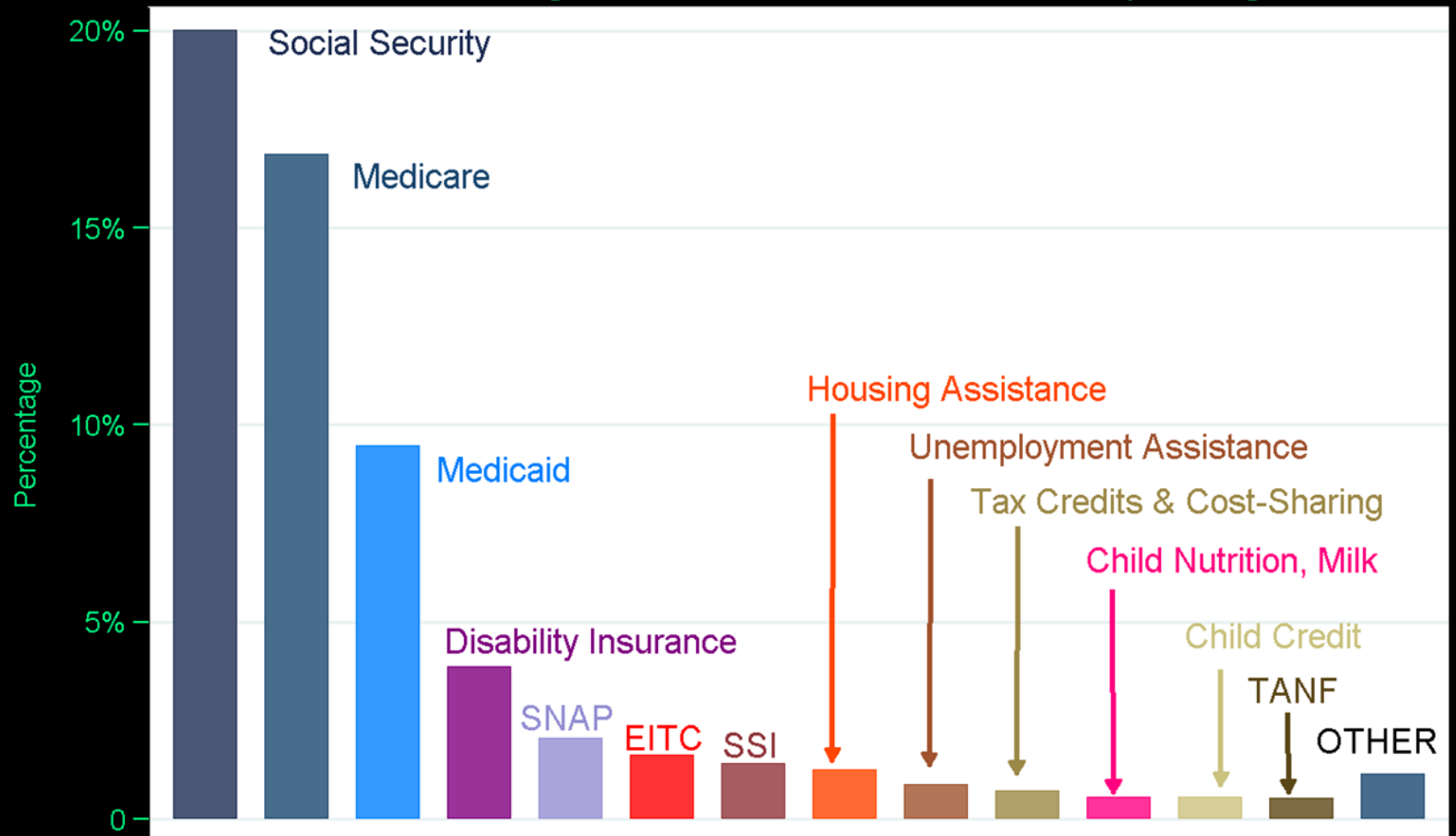
Earnings replacement

- Unemployment insurance
- Social security

Employment support

- Paid leave
- Childcare subsidies

Federal Government Outlays for Payments for Individuals, 2015 As Percentage of Total Federal Government Spending



Source: Office of Management and Budget

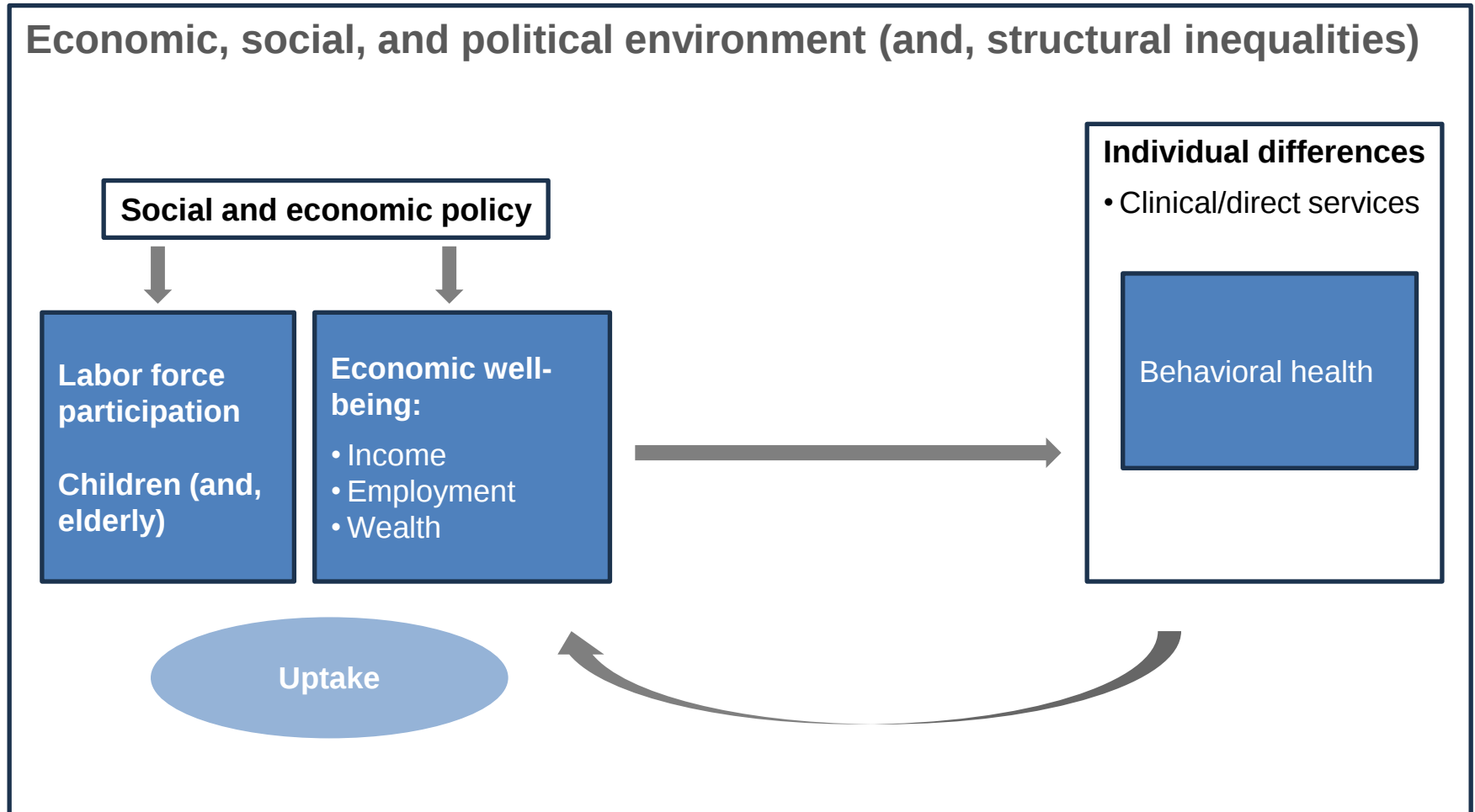
EconoFact

econofact.org

Scope: Behavioral Health

- Mental or psychological health
- Subjective wellbeing
- Mental health problems
- Stress
- Substance use and abuse
- Emotional and physical victimization and maltreatment

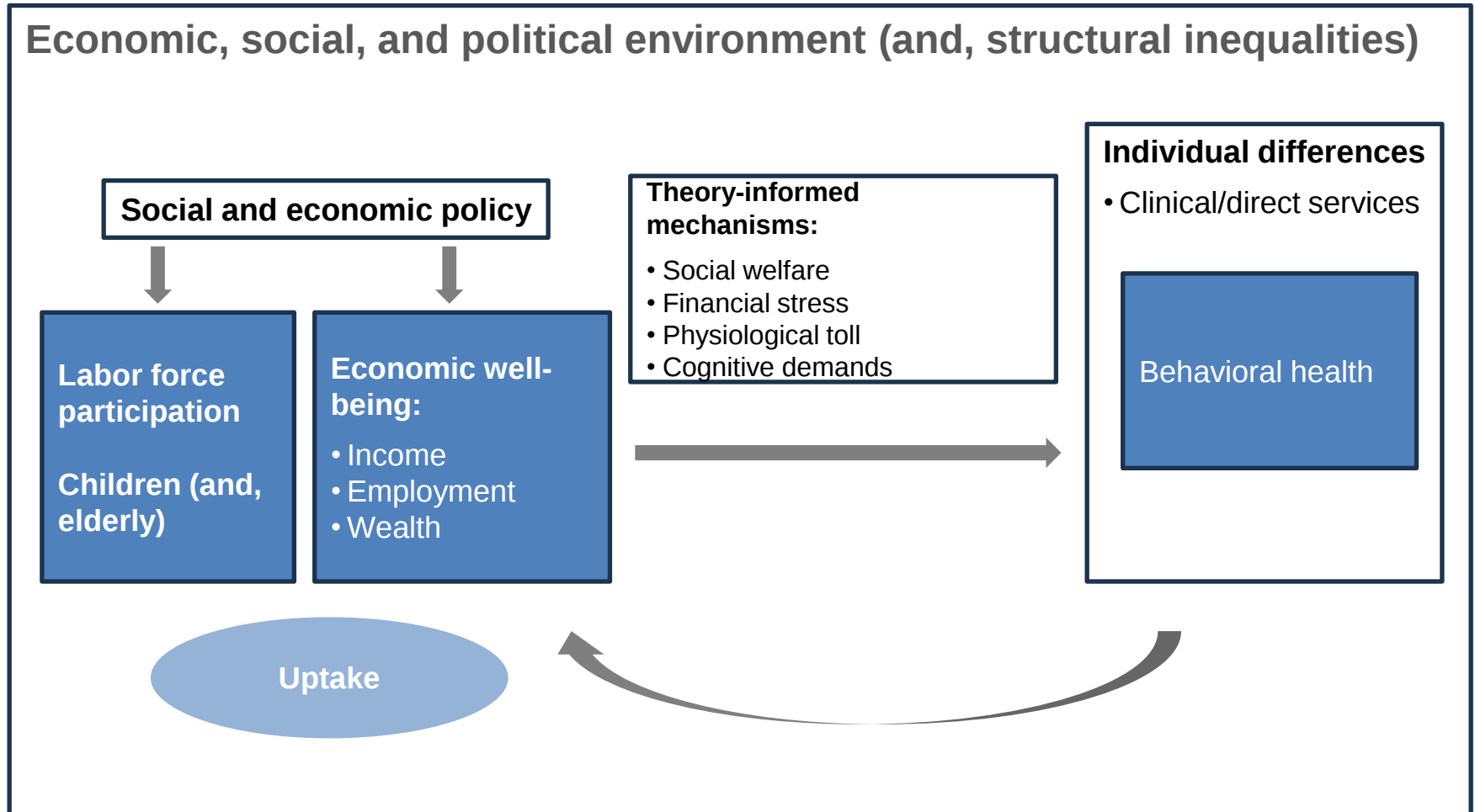
Framework



Framework: Theoretical perspectives

- **Economic:** Productivity, growth and national income is favorably associated with social welfare
- **Family Stress & Family Systems:** Financial stress has ripple effects on parenting and family life; varies over the lifespan
- **Physiology of economic adversity, discrimination, and racism:** the toll of chronic stress and stressors can emerge through biomarkers and related aspects of physiology (“under the skin”)
- **Cognitive psychology:** Financial scarcity and precarity increases cognitive demands affecting psycho-emotional health

Framework



Bodies of Evidence

- Evaluation of existing policies
- Evaluation studies of impacts of potential policy

Evidence: Earned Income Tax Credit

What it is: lump sum annual transfer through tax system, conditioned on formal earnings, marital status, and number of children up to a certain income level

Qualitative. Parents' feelings of relief at tax refund time

Quantitative. Decreased symptoms of depression, increased happiness, specifically among married mothers

Evidence: Expanded 2021 Child Tax Credit

What it is. (temporary) refundable tax credit, per child, larger for young children, all families were eligible

Qualitative. Parents' feeling less financial stress

Quantitative. Mixed findings, with some studies showing decreased generalized anxiety and depression and decreased bad mental health days; while others show no impact.

Evidence: Welfare Reform Evaluations

What it is. 1990s roll out of state-level reforms of basic cash assistance per federal waivers, new earnings disregards meant option to increase work and continue to receipt basic cash assistance

Quantitative. General improvements in mother's mental health problems (reductions in depressive symptoms); reductions in intimate partner abuse; reductions in school-aged children's externalizing behavioral problems

Evidence: Housing Mobility Evaluations

What it is. The Moving to Opportunity housing mobility study, unconditioned housing vouchers, housing vouchers conditioned on moving to a low poverty neighborhood.

Qualitative. Moves out of public housing motivated by safety concerns.

Quantitative. Increased happiness, decreased psychological distress (depressive and anxiety symptoms); improved mental health among adolescent females

Evidence: Direct Cash Transfers

What it is. Alaska Dividend Fund payments; casino revenue payments to members of Indigenous groups.

Quantitative. Reductions in child maltreatment and infant mortality; improvements in children's emotional health; reductions in crime during adolescence

Evidence: Cash Transfer Evaluations

What it is. Variety of basic and unconditional income transfer pilots and RCT studies, monthly and lump sum from private and government sources

Qualitative: Financial relief, improvements in emotional well being

Quantitative. No evidence of increased risk of behaviors related to smoking, drinking or drugs. Mixed findings on subjective well being and psychological health.

Evidence missing (or not yet curated)

- Early education, childcare, and K-12 Education (students)
 - In-Kind programs and policies: Food assistance, Medicaid/Medicare
 - Unemployment insurance
 - Paid leave
 - Social security
- Pandemic related social and economic policy expansions and retractions

Challenges and gaps

- **Policy objectives not quite aligned.** Behavioral health is not a primary target of social and economic policy
 - Evidence is thin; people's lives might look better, but they may not feel better; unexplored interactions with direct services
- **Theoretical guidance underdeveloped**
- **Research design and implementation complexities**
 - Validated measures designed for screening problems
 - Capture of momentary and chronic states
 - Biological and physiological outcomes difficult to collect
 - Qualitative aspects of emotions, mood and outlook (sadness, worry, joy, loneliness, and positive outlook) not well understood

Selected references

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- Ludwig, Jens, Greg J. Duncan, Lisa A. Gennetian, Lawrence F. Katz, Ronald C. Kessler, Jeffrey R. Kling, and Lisa Sanbonmatsu. 2013. "Long-Term Neighborhood Effects on Low-Income Families: Evidence from Moving to Opportunity." *American Economic Review*, 103 (3): 226-31.
- Evans, David K.; Popova, Anna. *Cash transfers and temptation goods : a review of global evidence (English)*. Impact Evaluation series ; no. IE 127, Policy Research working paper ; no. WPS 6886 Washington, D.C. : World Bank Group. *Economic Development and Cultural Change* 65 (2).
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