
Even a Mild Windfall, Apparently, Can Kill You

By Editor Test *Wed, Sep 9, 2009*

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Could monthly annuity payments be a health hazard?

Two economists have documented an increase in fatal heart attacks, strokes and traffic accidents shortly after the receipt of money, such as monthly Social Security checks, regular wage payments for military personnel, the dividends Alaskans receive from oil exploitation in their state, and even the 2001 tax rebates.

In two new working papers for the National Bureau of Economic Research, economists Timothy J. Moore of the University of Maryland and William N. Evans of Notre Dame demonstrate a “within-month mortality cycle where deaths decline before the first day of the month and then spike after the first.”

“This cycle is present across a wide variety of causes and demographic groups,” they write. “The mortality cycle may be due to short-term variation in levels of activity. We provide evidence that the within-month activity cycle is generated by liquidity.”

“Many studies find that households increase their consumption after the receipt of expected income payments,” the economists asserted. “Consumption can increase adverse health events, such as traffic accidents, heart attacks and strokes . . . The increase in short-run mortality is large, potentially eliminating some of the protective benefits of additional income.”

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