

The Effect of Unexpected Income Loss on Weight: Temporary Unemployment and BMI

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This paper estimates the causal impact of income on body weight using exogenous variation in household income created by a transitory and unanticipated unemployment spell experienced by the spouse. A unique feature of this identification strategy is that it allows for estimation of the causal impact of income on body mass index (BMI) for a wider segment of the U.S. adult population than previous studies that focused only on low-income or elderly groups. The results of empirical analysis conducted with 1999-2011 waves of the Panel Study of Income Dynamics rule out any quantitatively or statistically significant effects of income on weight and on the probability of being obese for both men and women. The finding of insignificant causal effect of income on weight persists across all ranges of BMI or income.

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