Title: How Do Increases in Earned and Unearned Income Affect Health? Evidence from Native American Tribal Casinos

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Programmatic Areas: Trends in Disability; Geographic, Racial and Ethnic Disparities in Health

Abstract

This study will examine how changing household economic circumstances, affected by local economic conditions and tribal policies, affect health (as measured by longevity) and disability (as measured by SSI receipt at ages younger than 65) in adults. We will use a unique panel dataset of linked Census and Internal Revenue Service data for the US adult population, combined with information on Tribal gaming and associated revenue sharing programs, which resulted in substantial changes in Tribal incomes for the affected communities.

Since the adoption of the Indian Gaming Regulatory Act in 1988, about 245 of the 567 federally recognized AIAN tribes have started gaming operations on tribal lands in 29 states. Revenues as of 2018 are approximately $30 billion. Casino-generated revenues affect tribal members in two ways: through potentially improved earnings due to employment opportunities and though unearned cash transfers. In related research using the dataset we propose to utilize here, we show that the income rank of Native Americans who were affected by casino operations improves relative to those who lived in areas without casino operations. We also show that unearned income transfers are more effective in closing the income gap between Natives and non-Natives, compared to casino operations without associated unearned income transfers (Simeonova, Jones and Akee, forthcoming).

American Indians and Alaska Natives (AIAN) participate in the Supplemental Security Income (SSI) program at about twice the rate of the general population. Life expectancy among Native Americans is more than five years less than in the US general population. To what extent these disparities are driven by the persistent and long-standing extreme poverty among Native Populations is not well understood. A large body of literature has documented the positive association between income and health. However, studies that examine how exogenous positive income shocks affect long term health are rare. Our data contain information on dates of birth and dates of death for the population of individuals included in the decennial census. We have information on individuals' residence over time, and their incomes from the IRS. In this project, we will test whether the onset of gaming operations on Tribal lands affected Native mortality and disability. Disability can be proxied by SSI receipt, which is recorded on the tax returns data, for individuals under the age of 65.

References:

Simeonova, Emilia, Margaret Jones and Randall Akee (2021) "Gaming Opportunities: American Indian Casinos, Cash Transfers, and Income Mobility on the Reservation", forthcoming in the American Economic Association – Papers and Proceedings, 2021