

A Systematic Review of Income and Mental Health

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Executive Summary

With increasing problems with mental health in our current society, this paper examines the evidence of whether income affects mental health. From previous studies, it was known that there is a correlation between income and mental health and this paper looks closer into the causal relationship between income and mental health.

This paper took a type of literature review, a systematic review of income and mental health. To identify past studies that are relevant to this field, a systematic search technique supplemented by references from selected studies is used. To study the causal relationship, studies that make use of randomized controlled trials, natural experiments, longitudinal data, and instrumental variables were reviewed. One of the papers was a systematic review and a meta-analysis but the information was relevant and included in this paper. Since this paper only focuses on adulthood impact, the results cannot be generalized to long-term effects and other age groups.

Due to a great number of pieces of literature that were relevant as a result of using the search terms with restrictions decided in this paper, a sampling approach was taken where the top 50 results are exported from each database. This may limit the study

to be not comprehensive, but the selected studies are representative and inclusive, therefore excluding bias.

Through the studies reviewed, there is strong evidence that there is a causal relationship between income and mental health. The studies pointed toward an impact where the more income there is, the happier and better the mental health will be. This result is guided by a range of studies that utilize different approaches including unusual gains of income such as a lottery. There was a slight difference between men and women in the results produced. There was also evidence that the effect of income on mental health is not linear, where households in poverty are affected more than households in a high-income setting. A few studies revealed that relative income to a reference group is also important in determining the mental health of a person.