

Can charitable giving improve your health?

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Research by University at Albany economics professor Baris Yörük has found that receiving tax deductions for charitable giving can indirectly provide individual health benefits.

Research by University at Albany economics professor Baris Yörük may provide additional motivation for those resolving to become more charitable in 2016.

According to Yörük, receiving tax deductions for charitable giving can indirectly provide individual <u>health</u> benefits. The correlation comes from what he refers to as "spillover effects." Prior studies have shown that charitable tax deductions boost donations, while others have concluded that giving to others reduces stress and strengthens the immune system.



Yörük simply combined the two ideas.

"My research concludes that if giving to others is better for health, and if tax subsidies significantly increase charitable giving, then increasing tax subsidies may have positive 'spillover effects' on health," Yörük said.

Yörük analyzed data from the 2001, 2003, 2005, and 2007 Center on Philanthropy Panel Study (COPPS), a survey in which heads of households report both their level of charitable giving and their overall health status. He concluded that a one percent increase in a tax subsidy for charitable giving was associated with a .1 percent increase in the study's five-point health index (from excellent to poor).

Furthermore, Yörük's research found that only 0.8 percent of those who gave reported having poor health, and 36.6 percent reported excellent health. Those who gave also had a lower probability of suffering health-related problems including high blood pressure, cancer, heart attack, and obesity. Conversely, among those who did not give, 4.9 percent reported having poor health and 20.5 percent reported having excellent health.

Charitable contributions are tax-deductible in the United States. However, Yörük believes even larger tax breaks for giving could improve the country's overall health.

"Further expansions in <u>charitable giving</u> tax subsidies would not only increase the amount of <u>charitable donations</u> but also may positively affect the health status of the individuals in the United States. However, more research is needed," Yörük said.

More information: Barış K. Yörük. Does giving to charity lead to better health? Evidence from tax subsidies for charitable giving, *Journal of Economic Psychology* (2014). DOI: 10.1016/j.joep.2014.08.002



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