

Abstract:

Mounting evidence points to a stark correlation between income and health, yet the causal mechanisms behind this gradient are poorly understood. This paper examines the impact of information on health, and whether differential access to information contributes to the health-income gradient. Our empirical setting, Sweden, allows us to shut down differences in formal access to health care, and to leverage population-wide tax data linked to birth and medical records. First, we document strong socioeconomic gradients in mortality and health; the health gradient emerges in early childhood and steepens over time. Second, we study the effect of a particular type of information -- the presence of a medical doctor or nurse in the family -- on a set of health outcomes, using event studies and exploiting "admissions lotteries" into medical schools. A medical professional in the extended family prolongs older generations' life span and reduces their likelihood of suffering from a heart attack or diabetes; further, younger generations are less likely to consume drugs treating ADHD or depression, and more likely to be vaccinated. Third, we show that the poor respond the most to information, but also face the greatest information scarcity. The interaction between poverty and access to information about health and health care may play a significant role in sustaining health inequality.