

# Access to financial services linked to lower COVID mortality rates

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Todd Watkins is professor of economics and executive director of the Martindale Center for the Study of Private Enterprise at Lehigh University.  
Credit: Lehigh University

New research shows that some of the best tools to decrease COVID-19 mortality rates weren't found in the ER, but rather at the bank.

A study of COVID-19 mortality rates across 142 nations has demonstrated a surprisingly strong link between access to formal financial services and lower COVID-19 mortality rates. In fact, it's proved to be as strong a predictor of lower COVID-19 death rates as several comorbidities are of higher COVID-19 death rates.

"The reduction is surprisingly large, similar in magnitude to, but opposite in direction from, the mortality risks associated with higher rates of lung cancer and hypertension," says Todd Watkins, professor of economics and executive director of the Martindale Center for the Study of Private Enterprise at Lehigh University.

So, can we just "follow the money" to explain country-level differences in COVID-19 mortality?

Not exactly, Watkins says. While certain money-related measures had seemingly logical correlations with higher death rates, others have had counterintuitive effects.

For example, countries with higher levels of income inequality experienced higher rates of mortality, which tracks a basic logic. However, countries with higher per capita incomes also had higher [mortality](#) rates, which seems counterintuitive.

"Our assumption as economists would be that wealthier nations should have been able to deal with COVID better than poorer nations and poorer populations. And the opposite has turned out to be true in regard to GDP per capita," Watkins says.

According to Watkins, access to formal financial services—including

having an account at a financial institution, having a credit or [debit card](#), or having received loans from a [financial institution](#)—is a distinctive predictor, falling outside of the effects of other financial measures.

This finding may point to the importance of formal financial services as a potential "shock absorber" during times of crisis—enabling individuals and families to weather health crises financially.

It's an under-studied topic. Studies on the effects of insurance, including Medicaid, Medicare, and universal health insurance programs in other countries, are prevalent, Watkins says. But studies on financial services that can function like insurance in times of crisis are rarer.

To the extent that finances are studied in relation to public health, lines of inquiry often focus on the effects health issues have on one's finances. But we may be well served by "flipping that thinking on its head" and looking at the effects financial services may have on one's health.

Further research is needed to study the effects of access to different types of financial services on different health outcomes. While the pandemic provided a "big shock" to the global health system that made it ripe for study, Watkins says, it's likely that further connections may be found in other health contexts.

"There are probably all sorts of other [public health](#) implications of [financial services](#) at the formal, secondary and tertiary levels we have yet to really delve deeply into," he says.

The findings are published in an article, "[The impact of access to financial services on COVID-19 mortality globally](#)," in *PLOS Global Public Health*.

**More information:** Todd A. Watkins et al, The impact of access to

financial services on mitigating COVID-19 mortality globally, *PLOS Global Public Health* (2023). DOI: [10.1371/journal.pgph.0001137](https://doi.org/10.1371/journal.pgph.0001137)

Provided by Lehigh University

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