More workouts = more money?

Gym memberships may be expensive, but recent research suggests that hitting the gym a few times a week could actually be helping to pad your bank account. Despite the well-known physical and psychological benefits of regular physical activity, nearly 30 percent of Americans don’t exercise. In “The Effect of Exercise on Earnings: Evidence from the NLSY” (Journal of Labor Research, June 2012, pp. 225–250), economist Vasilios D. Kosteas adds to the current understanding of the benefits of exercise, perhaps providing Americans with another reason to keep in shape. Kosteas investigates the effect that exercise has on labor market outcomes, particularly on earnings.

The study shows that there is a positive correlation between exercise and earnings. According to the author’s analysis, regular exercise (that is, at least three times per week) is consistently associated with a 6- to 10-percent wage increase. The author’s results show that even exercising a few times a week yields a positive earnings effect, and frequent exercise generates an even larger effect. Frequent exercisers earn approximately $362 more per week, on average, than those who do not exercise.

Kosteas uses survey data from the 1998 and 2000 rounds of the National Longitudinal Survey of Youth 1979 (NLSY79). (The exercise and light activity survey questions were asked only in those years.) Survey participants, who ranged in age from 33 to 41, were asked several questions about physical activities. The responses capture only exercise frequency, not variations in time spent exercising or in exercise intensity.

Kosteas suggests there are a few cause-and-effect scenarios that may explain the correlation between exercise and earnings, and that simple linear regression techniques may not be adequate to separate causality from simple correlation. For example, one potential explanation for the correlation between exercise and earnings is the effect of different discount rates on potential earnings. A worker with a low discount rate—that is, someone who does not place a much higher value on things gotten today than on things gotten in the future—usually displays great discipline; therefore, such workers probably work hard in school and at their job, and their self-control makes them less likely to put off exercising on a regular basis. Their higher potential earnings would be a result of their innate personality traits and not of their exercise regime.

To control for these indirect effects on earnings, Kosteas employs propensity-score matching. Considering respondents (both exercisers and nonexercisers) who had similar propensity scores, Kosteas compared the respondents on the basis of a large number of variables, such as height, body composition, education, test scores, high school sports participation, and number of hours worked per week. Of respondents with similar scores, those who exercised had higher earnings than those who didn’t. Furthermore, a sedentary person who begins to exercise a few times per month could see a 2.2-percent average increase in weekly earnings.

The author finds that women exhibit a stronger correlation between exercise and earnings than do men. Frequent exercise is associated with a nearly 7-percent increase in wages for men and an approximately 11-percent increase for women. Research suggests that men might begin to accrue pecuniary benefits by exercising at least once per week, but women’s wages only show a positive association when they exercise three or more times per week. Kosteas’ results indicate that, for women, engaging in frequent exercise leads to an earnings premium that is equal to nearly 1 1/3 years of schooling. In addition, body composition does not have a significant correlation with earnings for men, but there is a connection between body composition and earnings for women. Kosteas’ female-only estimates show a negative correlation between obesity and earnings. These findings indicate that attractiveness plays a larger role in labor market success for women than for men.

Kosteas concludes that more research is needed on the economic effects of exercise. Next steps include studying how wages are affected by exercise duration, frequency, and type and investigating other potential labor market benefits of exercise. He also indicates that raising awareness of the labor market benefits of exercise could serve as a tool in motivating people to adopt more active lifestyles.

Homelessness—Women Veterans’ Service Award?

What comes to mind when you think of the word homelessness? Some people think of streets lined with disheveled persons dressed in layers of clothing, either sitting near
alleys or standing near bus stops and restaurants, holding out a paper cup as they beg for money for a cup of coffee. Robin E. Keene, on the other hand, thought of women veterans. In her paper, “The Meaning of Homelessness to Homeless Women Veterans” (dissertation for the doctor of philosophy degree, University of Texas at Arlington, http://dspace.uta.edu/bitstream/handle/10106/11071/Keene_uta_2502D_11605.pdf), Keene opens readers’ eyes to the struggles and despair of six women veterans who suddenly and unexpectedly became homeless after having served in the military.

Studies on homeless men, both veterans and nonveterans, have saturated the research world for years; however, very few studies have looked at homeless women veterans and the reasons for their homelessness. According to Keene, the population of homeless women veterans is increasing as the number of women in the military increases. In addition, she notes that the likelihood that women veterans will become homeless is “three to four times higher” than that of men veterans.

In this study, Keene interviews six homeless women veterans who had served in the Navy, Air Force, and/or Army and were in Texas homeless veterans programs, asking them about the meaning of homelessness, causes or risks of their homelessness, and the resources that would help them overcome the cycle of homelessness. Keene finds that all of the interviewees were unprepared for homelessness and not one of them ever “expected” to become homeless, all were sexually traumatized, and all felt abandoned by the military.

Through her research, Keene discovers the social and human issues that led to their homelessness and offers solutions to overcome these issues, thereby decreasing women veterans’ likelihood of becoming homeless. Five of the six women who Keene interviewed for this study set finding employment as their highest priority. Keene asserts, “A focus needs to be placed on more job training and job placement for those at risk for becoming homeless or those already homeless. As female soldiers transition from military to civilian life, job placement assistance is needed so they transition to a career rather than to unemployment and possible homelessness.”