

I study whether a coordinated effort by a government to increase access to healthcare through increased expenditure would bring about higher incomes at the household level. Using data from the major healthcare reform that Costa Rica underwent in 1994, which greatly increased access to primary healthcare, I explore the effects of getting local clinics in their district, as a result of the reform, on household and personal income. Based on theoretical work by Strauss and Thomas (1998) and a seminal paper by Grossman (1972), my main hypothesis is that, by producing healthier individuals, having increased access to healthcare spurs individuals to pursue better-paying jobs, thereby increasing their income. I proceed by difference-in-difference, as well as by an event study specification, both of which point to a positive average impact of around 4% of getting a clinic on income.