The Impact of Financial Incentives on Vaccination: Empirical Insights from the Covid-19 Pandemic

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Abstract

Financial incentives are widely used to promote healthy behaviour. During the Covid-19 pandemic, many U.S. states offered financial incentives to boost vaccination uptake. However, prior research has found mixed results regarding their effectiveness. In this paper, we analyze all state-initiated financial incentives and vaccination outcomes across 50 U.S. states over 34 weeks (Feb–Oct 2021). Unlike prior studies focusing on short-term effects of specific schemes, we examine the provision of different incentive types and model long-term vaccination adoption using logistic diffusion models. Results show that incentives did not affect Covid-19 vaccination rates. However, information provision, in the form of media mentions, significantly increased the speed of vaccination. Our findings support the view that extrinsic rewards may undermine intrinsic motivation for health and prosocial behaviour, and they yield meaningful results for public policy initiatives aimed at generating population response.

Track: Public Sector and Non-Profit Marketing