Essays on Health, Labor Market Behavior, and Economic Incentives.

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Akademisk avhandling

som med vederbörligt tillstånd av Rektor vid Umeå universitet för avläggande av filosofie doktorsexamen framläggs till offentligt försvar i Hörsal UB.A.220 – Lindellhallen 2, Samhällsvetarhuset, onsdagen den 31 januari 2024, kl. 13:00.
Avhandlingen kommer att försvaras på engelska/tyska/svenska.

Fakultetsopponent: Professor, Niklas Jakobsson, Department of Economics, Karlstad University, Karlstad, Sweden.
Abstract

**Paper [1]** analyzes how the labor force participation changes in response to major health shocks, such as new cancer diagnoses, heart attacks, and strokes, in middle-aged to elderly Mexican couples, and how the spouses interact in their responses. The data originates from the Mexican Health and Aging Study and provides information on how couples coordinate their labor market activities in response to major health shocks. The results show that women’s labor force participation is negatively affected by a major health shock to their husbands. In contrast, men’s labor force participation does not change significantly in response to a major health shock to their wives.

**Paper [2]** focuses on the correlation between negative health shocks and the households’ share of wealth held in risky assets. By using U.S. data from the Health and Retirement Study, we try to establish a link between negative health shocks and financial outcomes such as the household’s probability of owning risky assets and the share of risky assets held. We define a recent negative health shock to include cancer or malignant tumour diagnoses, stroke or transient ischemic attack, heart attack, coronary heart disease, angina, congestive heart failure, or other heart problems. We find that the probability of owning risky assets and the share of risky assets are significantly lower among households where the women has experienced a negative health shock. In contrast, neither the probability of owning risky assets nor the share of risky assets held by the household are significantly associated with a negative health shock to the man.

**Paper [3]** investigates whether job loss can cause symptoms of depression in later life. We focus on couples aged 50 or older. We use data from the Health and Retirement Study, which provides longitudinal information about changes in labor market status and mental health outcomes among respondents and their spouses in the United States. To deal with potential reverse causality problems, we utilize data on job loss resulting from business closures. We find that job loss can lead to depressive symptoms for the affected individual’s partner. The effects are gendered, as women are negatively affected by job losses experienced by their husbands, but we do not observe such harmful effects among men whose wives lose their jobs. We also show how the effects of job loss vary across couples with differing levels of economic resources and health care needs, as well as differential access to health care.

**Paper [4]** estimates the labor supply response to an increase in the marginal wage rate among middle-aged to elderly Mexican women. Using data from the National Survey of Occupation and Employment, I find that an increase in the marginal wage rate is associated with an increase in worked hours. The results suggest that the marginal wage rate elasticities are larger for older women than for their younger counterparts.

**Keywords**

Labor force participation, labor supply, health status, financial risk taking, gender differences, job loss.