Comments on "Does Lower Socio-Economic Status Make You Sick? A Two-Period Life Cycle Setting and Evidence from Turkey"

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EAF-TUSIAD Conference on Education, Health and Worker Productivity
October 17, 2015

- Contributions:

  1. Descriptive Analysis: Trends in self-reported health (dichotomous indictor) and age by employment type and status, and quartiles of income and education.

  2. Theoretical: Two-period life cycle model à la Grossman (1972). Health capital is both a consumption and an investment good $\Rightarrow$
     - increases in response to increases in demand for medical care inputs, income, and education.
     - decreases in response to increases in age and working hours.

  3. Empirical investigation of the relationship between SES (Education, HH income per capita, employment, and occupation) and health. Identification strategy: Method of instrumental variables.
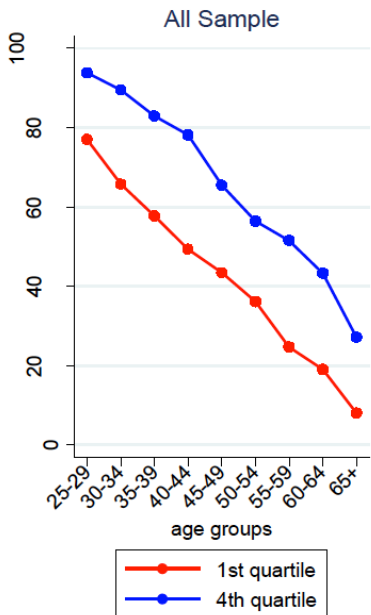
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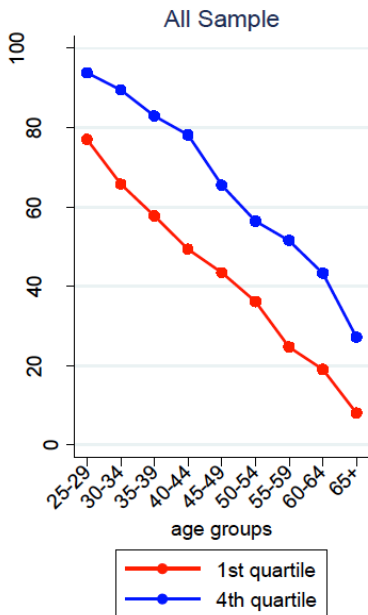
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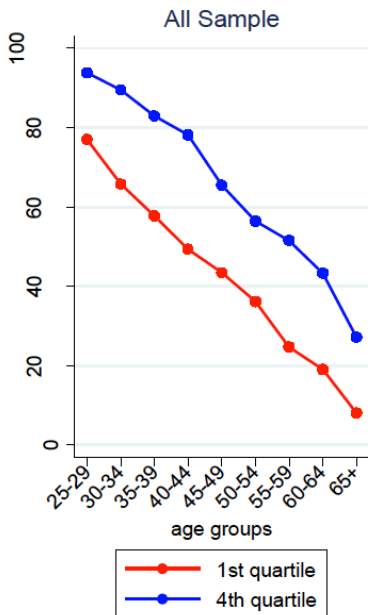
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  2. Cohort effects

All Sample

age groups

- 1st quartile
- 4th quartile

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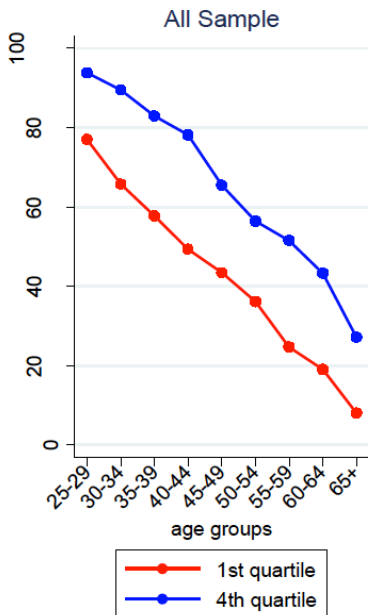
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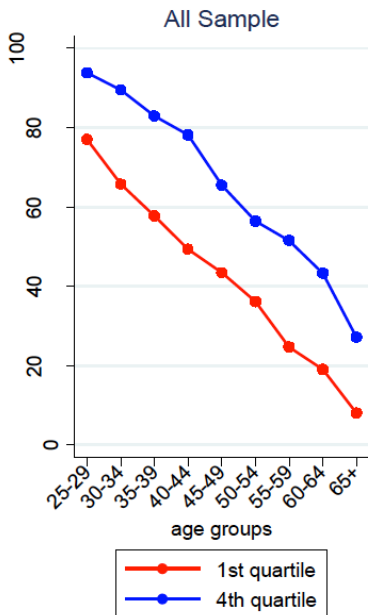age groups

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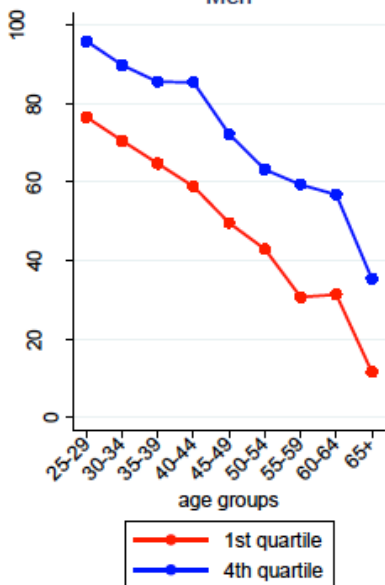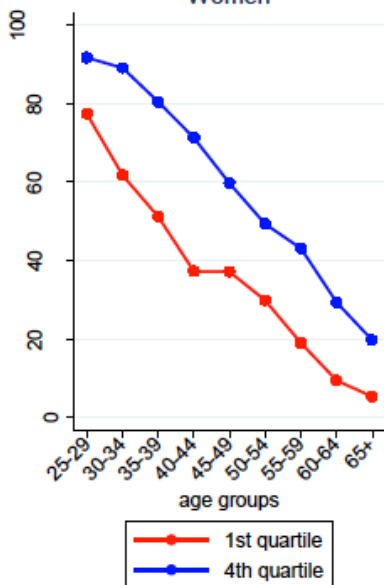age groups

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- **Regression Framework (IV)**:
- Second stage:

$$H_i = \beta_0 + \beta_1 Educ_i + \beta_2 Inc_i + \beta_3 Emp_i + X_i'\Gamma + \epsilon_i \qquad (1)$$

- Endogenous variables: Income and Employment
- Instruments: Regional unemployment rates, work experience, spousal education

- Potential issues to address:

- Education is the most important correlate of good health, but might involve reverse causality and "omitted third variables" (Grossman, 2015)
- Are the instruments truly exogenous?
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