



The Impact of Health Insurance on Stockholding: A Regression Discontinuity Approach

Anna Sanz de Galdeano (University of Alicante and IZA)

Martedì 2 Febbraio 2016, ore 12.30 Aula della Scuola di Dottorato, Palazzo Cà Borin, Via del Santo 22, Padova

Using data from the US Health and Retirement Study, we study the causal effect of increased health insurance coverage through Medicare and the associated reduction in health-related expenditure and background risk on financial risk-taking. Given the onset of Medicare at age 65, we identify our effect of interest using a regression discontinuity approach. We find that getting Medicare coverage induces stockholding for those with college education, but not for their less-educated counterparts. Hence, a reduction in medical expenditures and in health-related background risk induces financial risk-taking in individuals for whom informational and pecuniary stock market participation costs are relatively low.