

## **WIC Internal Seminar**

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Vienna Institute of Demography  
Welthandelsplatz 2 / Level 2  
Nathan Keyfitz Library  
1020 Vienna

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Tuesday, 29. January 2019  
9:00-10:00

### **"On the valuation of health and education in life-cycle models with deficit accumulation, random life expectancy and endogenous labour supply"**

Motivated by the fact that within-cohort inequality in wealth and in life expectancy increase over the life cycle, we propose a normative framework for studying how heterogeneous individuals, who differ by ability and initial health conditions, accumulate human capital, assets, social security wealth, and health deficits over the life cycle. To do so, we implement a life cycle model in which individuals face mortality risk and optimally decide about their education, consumption, their labor supply (intensive and extensive margins), and on their health care expenditure, which is used to reduce the speed of accumulation of health deficits and hence their risk of dying.