

Health Dynamics and Heterogeneous Life Expectancies*

Richard Foltyn[†]

Norwegian School of Economics (NHH)

Jonna Olsson[‡]

University of Edinburgh and CEPR

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Using biennial data from the Health and Retirement Study, we estimate age-dependent health dynamics and survival probabilities at annual frequency conditional on race, sex, and health. The health gradient in life expectancy is steep and persists after controlling for socioeconomic status. Moreover, even conditional on health and socioeconomic status, the racial gap in life expectancy remains large. These differences in mortality imply that black men on average can expect to receive \$8,300 (or 12%) less in Social Security benefits in present value terms, while the difference is smaller for black women.

JEL Classification: C23, E21, I14, J14

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[†]richard@foltyn.net

[‡]jonna.olsson@ed.ac.uk