

“Labor supply responses to survivor insurance schemes
and their implications for policy design”

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The death of a family member and income earner is a shock with dramatic pecuniary and non-pecuniary consequences for the affected household. A primary source of self-insurance against such income shock is the labor supply response of surviving spouses. This project aims at credibly identifying the self-insurance role of spousal labor supply in the context of fatal health shocks. It will also document several dimensions of heterogeneity in order to shed light on what individual characteristics are associated with larger self-insurance costs, and have therefore greater scope for welfare-improving social insurance expansions.