

Revised January 2024

February 2023

Coping with Health Shocks and Role of Spouse: Evidence from Japanese Household Panel Survey*

Kazuo Ogawa
College of Foreign Studies,
Kansai Gaidai University

16-1 Nakamiya Higashino-cho, Hirakata,
Osaka 573-1001 JAPAN
kogawa@kansaigaidai.ac.jp

Abstract

Hospitalization is a serious health shock that reduces household income. However, income loss is not uniform across households. This study makes a quantitative comparison of income loss caused by hospitalization for two different types of households: married households and single households, using Japanese household panel survey from 2009 to 2020. We find that wife increases her labor supply when her husband is hospitalized and income loss of the household is substantially mitigated. We also find that income loss is largest when single female is hospitalized. Our evidence suggests that added worker effect by the wife of hospitalized husband is quantitatively important.

Keywords: hospitalization, income loss, added worker effect, caregiver effect, random-effects ordered probit model,

JEL Classification Number: I12, I14

* This paper was presented at the symposium on Asian economies at Aoyama Gakuin University and the seminar at Fukuoka University. The author is grateful to Teruyoshi Kobayashi, Tatsuyosi Miyakoshi, Takashi Oshio, Mitsuo Takase, Yoshihiko Tsukuda, Junmin Wan and Peng Xu for extremely helpful comments and suggestions. The author thanks the Panel Data Research Center at Keio University for providing me with the household panel survey data, *Japan Household Panel Survey* (JHPS/KHPS). This research is financially supported by KAKENHI Grant-in-Aid for Scientific Research (C) #23K01341.