



Lingnan 嶺南大學
University

**Department of Economics
Seminar**

**Efficient Health Investment, Fertility, and
Accumulation in a Dynastic Model with Moral Hazard
from Longevity-dependent Annuities** *(in English)*

Prof. Jie ZHANG

Professor

Department of Economics,

National University of Singapore

Biography:

Professor Jie Zhang received his PhD in economics from University of Western Ontario in 1993. He has been appointed as Professor in National University of Singapore since 2008. He has published nearly 50 papers in various journal publications. His main research areas are Macroeconomics, Growth and Development, Public Economics and Population Economics.

Date: 6 November 2014 (Thursday)

Time: 10:30 am - 12:00 nn

Venue: WYL314, Dorothy Y. L. Wong Building

Abstract:

We investigate efficient health investment, capital accumulation, and fertility in a dynastic family model with moral hazard from longevity-dependent annuities. We first determine the social optimum and then equilibrium allocations with social security, health subsidization, or public health financed by labor income taxation. Private annuities induce not only more health spending and more savings but also fewer children. Social security and health subsidization exacerbate the moral hazard, whereas universal public health mitigates it. Surprisingly, social security and universal public health can decentralize the social optimum. Numerical results based on plausible parameterization suggest substantial overspending on health and under-provision of social security in the United States.

All Are Welcome

For enquiry:26167381(Grazie)