

THE ECONOMICS OF AGING: SHORT COURSE

June 17-20 2025

Instructor:	J. Skinner & F. Mazzonna	Time:	Tue–Thu: 9–12:30, 13:30–16
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		Place:	TBD

Objectives: Economics of aging studies the health and economic circumstances of individuals as they age as well as the implications of population aging. We will study labor force participation and retirement, saving and dissaving at older ages, biological processes of cognition, health care for older people, including long-term care and living arrangements, and the impact of population aging on the macroeconomy.

The goal of this short course is to improve your understanding of the factors that determine the well-being of the elderly, and the consequences that follow from an increasingly older population. In addressing these questions, we will introduce tools and methods that we hope are broadly applicable in other fields of economics and other social sciences.

Assignment: We will provide access to data from the U.S. Health and Retirement Study (HRS) and the European SHARE data to test several hypotheses related to the economics of aging. In groups, you will analyze this data during the afternoon sessions and prepare a short presentation summarizing your findings. Presentations will be delivered on Friday morning.

* Denotes less emphasis

Tuesday 17 June

1 The Demography of Aging and its Impact on Productivity (9:00-10:30)

- Introduction to the course
- Broad overview of both trends in aging and their economic implications

Bloom, David E and Dara Lee Luca (2016). “The global demography of aging: facts, explanations, future”.

In: *Handbook of the economics of population aging*. Vol. 1. Elsevier, pp. 3–56.

Salomon, Joshua A et al. (2012). “Healthy life expectancy for 187 countries, 1990–2010: a systematic analysis for the Global Burden Disease Study 2010”. In: *The Lancet* 380.9859, pp. 2144–2162.

Acemoglu, Daron and Pascual Restrepo (2017). “Secular stagnation? The effect of aging on economic growth in the age of automation”. In: *American Economic Review* 107.5, pp. 174–179.

Maestas, Nicole, Kathleen J Mullen, and David Powell (2023). “The effect of population aging on economic growth, the labor force, and productivity”. In: *American Economic Journal: Macroeconomics* 15.2, pp. 306–332.

Kotschy, Rainer and David E Bloom (2023). *Population Aging and Economic Growth: From Demographic Dividend to Demographic Drag?* Tech. rep. National Bureau of Economic Research.

Eggertsson, Gauti B, Manuel Lancastre, and Lawrence H Summers (2019). “Aging, output per capita, and secular stagnation”. In: *American Economic Review: Insights* 1.3, pp. 325–342.

2 Models of Health and Aging (10:50-12:30)

We next consider the microeconomic foundations of health and aging

- Case, Anne and Angus Deaton (2005). “Broken Down by Work and Sex: How Our Health Declines”. In: *Analyses in the Economics of Aging*. Ed. by David A. Wise. Chicago: University of Chicago Press, pp. 185–212.
- Dalgaard, Carl-Johan and Holger Strulik (2014). “Optimal aging and death: understanding the Preston curve”. In: *Journal of the European Economic Association* 12.3, pp. 672–701.
- Kok, Almar AL et al. (2025). “Adopting a complex systems approach to functional ageing: bridging the gap between gerontological theory and empirical research”. In: *The Lancet Healthy Longevity*.

3 Data Lab (13:30 - 16:00, 17-19 June)

For this time period (running Tuesday, Wednesday, and Thursday) we’ll meet with the research groups to discuss hypotheses to test using longitudinal data on aging. We recommend either the U.S. Health and Retirement Study (HRS), or the European SHARE study, but other data sources would be fine.

Potential hypotheses might include how retirement affects health and wealth, country-level variations in satisfaction with retirement over time, or the impact of specific shocks on well-being of the elderly (e.g., the Great Recession of 2008-09). Further information on data:

- The SHARE data has a number of supplements, for example a just-released dataset on biomedical and socioeconomic precursors of cognitive decline, which might be of value for a research paper; for further information click [here](#)
- The Health and Retirement Study for the U.S. has been ongoing for more than 30 years; the RAND Corporation has created a linked longitudinal dataset with consistent coding which makes life much easier; the RAND documentation and downloads are [here](#)

Wednesday 18 June

4 Life Cycle Models of Labor Supply and Retirement (9:00-10:30)

- Blundell, Richard, Eric French, and Gemma Tetlow (2016). “Retirement incentives and labor supply”. In: *Handbook of the economics of population aging*. Vol. 1. Elsevier, pp. 457–566.
- Coile, Courtney C and Kevin Milligan (2016). *Social security programs and retirement around the world: disability insurance programs and retirement*. University of Chicago Press.
- Maestas, Nicole, Kathleen J Mullen, and Alexander Strand (2013). “Does disability insurance receipt discourage work? Using examiner assignment to estimate causal effects of SSDI receipt”. In: *American economic review* 103.5, pp. 1797–1829.
- Bianchi, Nicola et al. (2023). “Career spillovers in internal labour markets”. In: *The Review of Economic Studies* 90.4, pp. 1800–1831.

5 Models of Saving and Cognition I (10:50 - 12:30)

- Mazzonna, Fabrizio and Franco Peracchi (2024). “Are Older People Aware of Their Cognitive Decline? Misperception and Financial Decision-Making”. In: *Journal of Political Economy* 132.6, pp. 1793–1830.
- Nicholas, Lauren Hersch et al. (2021). “Financial presentation of Alzheimer disease and related dementias”. In: *JAMA internal medicine* 181.2, pp. 220–227.

Thursday 19 June

6 Models of Saving and Cognition II (9:00-10:00)

- Been, Jim, Susann Rohwedder, and Michael Hurd (2021). “Households’ joint consumption spending and home production responses to retirement in the US”. In: *Review of Economics of the Household*, pp. 1–27.
- Chandra, Amitabh, Courtney Coile, and Corina Mommaerts (2023). “What can economics say about Alzheimer’s Disease?” In: *Journal of Economic Literature* 61.2, pp. 428–470.
- *Guo, Sheng, Jonathan Skinner, and Steven Zeldes (2024). Inattentive Households and Consumption Declines During Retirement. Dartmouth College.

7 Health Care for an Older Population (10:00-10:30, 10:50-12:30)

This section focuses primarily on physician and provider decisions for older patients.

- A simple model of how physicians make health care decisions
- Causes and Consequences of long-term care
- Markets for Long-Term Care Insurance

- Cutler, David et al. (2019). “Physician beliefs and patient preferences: a new look at regional variation in health care spending”. In: *American Economic Journal: Economic Policy* 11.1, pp. 192–221.
- Gentili, Elena, Giuliano Masiero, and Fabrizio Mazzonna (2017). “The role of culture in long-term care arrangement decisions”. In: *Journal of Economic Behavior & Organization* 143, pp. 186–200.
- Bakx, Pieter et al. (2020). “Better off at home? Effects of nursing home eligibility on costs, hospitalizations and survival”. In: *Journal of Health Economics* 73, p. 102354.
- Brown, Jeffrey R and Amy Finkelstein (2007). “Why is the market for long-term care insurance so small?” In: *Journal of public Economics* 91.10, pp. 1967–1991.

Friday 20 June

8 Student Presentations (9:00-12:00)

12:00: *Adjourn*