

# IAB-DiskAB

Invitation

## **The Effects of a Household Income Shock on Infant Health. Evidence from a German Welfare Benefits Reform**

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joint work with Simon Janssen (FBD2)

This paper investigates how welfare cuts affect the early health conditions of children living in families with low socio-economic status. Our identification strategy exploits a policy reform of the German welfare system that reduced welfare benefits for families with infants by up to 30 percent of the previous household income. The empirical analysis relies on a novel and unique data source from a large health insurance company that includes detailed information about child hospitalization, doctor visits, and pharmacy use for 45,000 children born in the years before and after the reform. Children of families on welfare are more likely to be of poor health than children of families not on welfare. However, the results reveal no additional health penalty in response to the welfare cut.

**Tuesday, January 16, 2018**

**10 o'clock (a.m.)**

**Room Re100 E10**