

The Influence of Mental Health on Portfolio Choice of Elderly Households

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The purpose of this study is to look at the influence of mental health on portfolio choice of elderly households. Panel data from the Health and Retirement Study are employed. The dependent variable is the ownership of risky assets in the portfolio whereas the independent variables are mental health conditions and cognitive ability of household respondents. Control variables such as age, household income, household net worth, marital status and occupation are included. Analyses are performed using fixed effects regressions. Results show that memory problems and depression have negative indirect influence on ownership of risky assets in the portfolio of elderly households. Further research is warranted to investigate the influence of other types of mental health problems on household portfolio choice.

References

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