



You are cordially invited to

UCLouvain Economics Seminar

On **Thursday** November 10, 2016 from **12:45 to 14:00**
Doyen 22, Place des Doyens, 1

Shankha Chakraborty
(University of Oregon)

Will give a presentation on

Age-Specific Effects of Mortality Shocks and Economic Development

Abstract: This paper examines the effect of age-specific mortality on the pattern of investment and economic development. In the presence of mortality risk, altruistic parents have an incentive to invest more in tangible assets (physical capital) that are readily transferable to future generations compared to their own intangible human capital. They also invest in the human capital of their children. The model is calibrated to the US and South Africa. The effect a mortality shock is shown to have strong distributional effects across cohorts and aggregate effects. The loss of human capital from an HIV/AIDS shock sets back economic development; advanced economies, more reliant on human capital, suffer more.

(Joint paper with Fidel Perez-Sebastian)

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