

# Centre for Health Economics

## Seminar Series

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### 'Effects of diabetes, heart conditions and mental illnesses on labour market participation in Australia'

Presented by

#### Associate Professor Xueyan Zhao

**Date:** Wednesday 18<sup>th</sup> October 2006  
**Time:** 1:00-2:00pm  
**Venue:** RB Scotton Room  
2<sup>nd</sup> Floor, Building 75  
Monash University  
Clayton, 3800



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We examine the impacts of several chronic illnesses on the probability of labour force participation using data from the Australian National Health Surveys. An endogenous multivariate probit model with a recursive simultaneous equations structure is used to account for the potential endogeneity of the incidence of chronic conditions of diabetes, heart conditions and mental illnesses. The cross equation correlations are significant, rejecting the exogeneity of the chronic illnesses and highlighting the intrinsic correlation across the three conditions via co-morbidity and unobservable personal heterogeneity. The treatment effects of chronic conditions on labour market participation are shown to differ by gender and age groups. Higher impacts are found among older individuals near retirement relative to prime aged workers for both genders, and the effects of mental health on older males are the highest. Marginal effects of exogenous socioeconomic, demographic and lifestyle factors are estimated through their direct effects on labour market participation and indirect effects via the chronic illnesses. They also differ by gender and age groups.

#### Presenter

Associate Professor Xueyan Zhao holds a joint appointment with the Department of Econometrics and Business Statistics and the Centre for Health Economics at Monash University, Clayton. She has a Bachelor of Science in Mathematics from Peking University, a Master of Economics from Tsinghua University, and a PhD from the University of New England. She has held lecturing positions in both the University of Adelaide and the University of New England prior to joining Monash University.

Her current research interests are in the area of microeconomic models with applications in health, labour, education and agricultural economics and recreational drug consumption. Particular focus in health economics is on the empirical relationships between individuals' health status, labour market outcome, health service utilisation, lifestyle behaviour and socioeconomic and demographic characteristics.

**VISITORS ARE MOST WELCOME.** The Seminar Series is free of charge. For confirmation of your attendance and further information please telephone 9905 0733 or email [che@buseco.monash.edu.au](mailto:che@buseco.monash.edu.au)