

**Negative Health Events and Wealth Trajectories for Working Age Adults: A  
Longitudinal Analysis and Exploration by Race and Ethnicity**

**Study Abstract**

This study investigates the impact of negative health events on life cycle savings and wealth building. Data will be drawn from the Panel Study of Income Dynamics (PSID) beginning with the 1984 panel which, for the first time, collects data on wealth. A sample of self-assessed healthy, working-age and employed adults (age 25-55) will be selected from this panel and followed through each wave until 2007. The analyses will begin with descriptive statistics of health and wealth for each of the years of the survey (1984 through 2007) and their bivariate relationships. Pooled time-series analyses will then test the impact of three different measures of health (self-assessed health status, disability, and hospitalization) on two measures of wealth: net financial assets (total assets not including home equity), and net worth (financial assets and home equity), controlling for demographic variables and employment status. The moderating effects of health insurance coverage will also be tested, and the differential impact of negative health events for specific racial and ethnic groups (African-Americans and Latinos) will be investigated. Supplementing prior research, these analyses will expand our knowledge of the impact of negative health events on wealth in four important areas: (1) by expanding the measurements of health by including measures of a work limiting disability and inpatient hospitalizations; (2) by including younger populations of working age; (3) by tracing individuals over longer periods of time and several waves of data collection; and (4) by specifically focusing on race and ethnicity.