

HEALTH SHOCKS AND LABOUR MARKET OUTCOMES: EVIDENCE FROM THE IRISH LONGITUDINAL STUDY ON AGEING (TILDA)

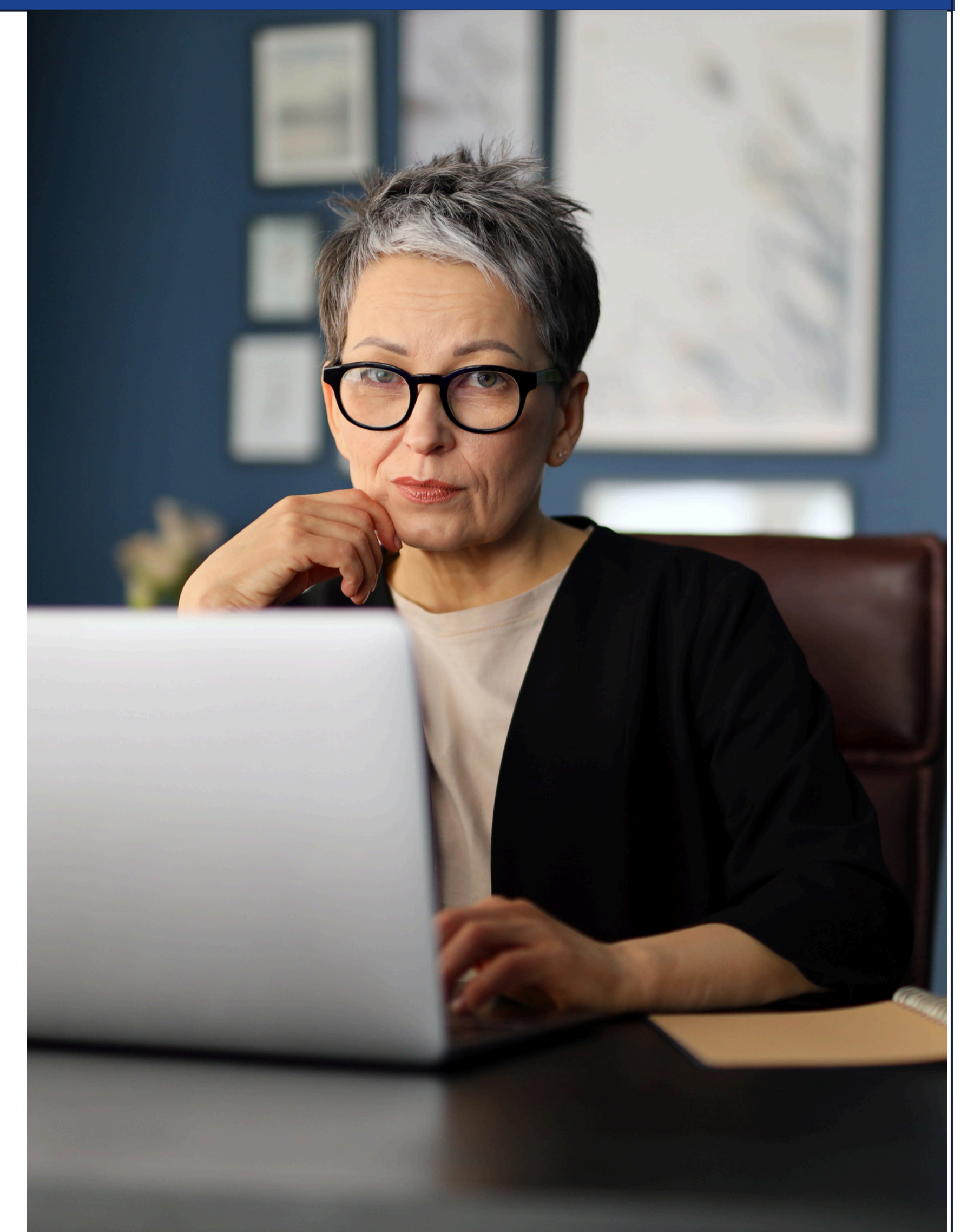
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EXECUTIVE SUMMARY

Population ageing and later pension ages make older adults' ability to work after adverse health events a key policy issue, yet causal evidence for Ireland is scarce. We use the Irish Longitudinal Study on Ageing (TILDA) to estimate the causal impact of unanticipated health shocks on labour-market outcomes during the post-crisis period 2009–2018.

The sample includes 1,885 individuals aged 50–65 who were in paid work at baseline and observed for up to four biennial waves (4,160 year-to-person observations). Health shocks are analysed and defined as: (i) recent hospitalisation and (ii) first diagnosis of a chronic condition. To address selection into health events we apply inverse probability weighting with regression adjustment (IPWRA), which is doubly robust to misspecification of either the treatment or outcome model. This paper further discusses the role of public healthcare entitlements (GP/Medical card holder) as an important institutional dimension. Heterogeneity is explored by demographics and socioeconomic status. Various employment and health outcomes are examined.



KEYWORDS

- Health shocks
- Labour supply
- Healthcare entitlements
- Ireland



RESEARCH RELEVANCE

- Chronic diagnoses drive employment exit
- Hospitalisation affects earnings not working hours
- Health shocks predict worsening health and higher healthcare utilisation
- Heterogeneity and institutional role
- Post-crisis evidence for Ireland

BIBLIOGRAPHIC INFORMATION

Mao, L., & Normand, C. (2026). Health shocks and labour market outcomes: Evidence from the Irish Longitudinal Study on Ageing (TILDA). *Health Economics Review*. Advance online publication. <https://doi.org/10.1186/s13561-026-00742-y>

“Health shocks in later working life mainly reshape employment through exit after new chronic diagnoses and through earnings losses after hospitalisation—while healthcare entitlements influence who leaves and who is able to keep working.”

