**Inleiding:**

The positive correlation between health and wealth has been shown many times. Pollack et al. (2007)⁠ for example found 29 studies testing for the correlation between health and wealth and more research has been done since. There has however not been as much focus on the direction of causality than on simply showing the correlation. Health and wealth could easily be endogenous. Wealth could affect health through better access to health care and better living conditions. Health could affect wealth through the ability to work and thus accumulate wealth. It could also be possible that for example time preference affects both the accumulation of wealth and health. (Meer, Miller, & Rosen, 2003)⁠.

As Aittomäki, Martikainen, Laaksonen, Lahelma, and Rahkonen (2010)⁠ point out, “Wealth in particular is not directly affected by changes in labour market participation that may radically alter the current income level”. This is important “… as changes in health and illness are likely to develop over a considerable time span” (p1025). They find that wealth is highly relevant in explaining health.

The goal of this paper is to examine the causality between health and wealth in the Netherlands. This paper will try to deal with the endogeneity between health and wealth using a difference in difference analysis. The treatment group consists of home-owners and the control group consists of people who rent a house. The treatment is the financial crisis in 2008 as it affected housing prices. The change in housing prices should only affect the wealth of the home-owners and it stands to reason that it does not affect or is affected by health status of the home-owner or home-renters alike.

To try to find the causal relationship between health and wealth the data from the Dutch Household Survey (DHS) from CentERdata. This survey “ is a unique data set allowing you to study both psychological and economic aspects of financial behaviour. This panel survey was launched in 1993 and comprises information on work, pensions, housing, mortgages, income, possessions, loans, health, economic and psychological concepts, and personal characteristics. We have been collecting these data from 2,000 households participating in the CentERpanel” (“DHS data access | CentERdata.nl,” n.d.)

Chapter 2 will discuss relevant literature on the subject of causality between health and wealth. Chapter 3 will describe the data used. Chapter 4 will describe the statistical methods used. Firstly there will be shown that there is a correlation in the data between health and wealth. Secondly the method that will be used to test for a causal relationship will be described. Chapter 5 will present the results found by the statistical analysis and chapter 6 will discuss the results and improvements for this study.