

Abstract: The current study aims to estimate the causal effect of a wealth shock on individual health, focusing on inheritance receipt. A challenge when examining this causality is to overcome a potential endogeneity of inheritances. To deal with this problem, the novel approach we employed here is to examine the effect of inheritances from respondents' spouse's parents, instead of respondents' own parents, on the health of respondents themselves. We try to estimate the short-term and long-term impacts of spousal inheritance receipt on the respondents' health. As for the short-term impact, we examine the dynamics of health outcomes during years immediately before and after the inheritance receipt in an event study framework. When assessing the long-term impact, we estimate the effects on health of the cumulative amount of inheritance received from spousal parents by the current survey wave. Our findings are summarized as follows. Starting with the short-term impact, while the asset shock does not affect respondents' mental health, it would improve their self-rated health when the spousal inheritance is not expected beforehand. By contrast, as for the long-term impact, no significant change is found for either type of health measures.