

ABSTRACT

A Cross Sectional Study of the Impact of Adverse Health on Household Welfare in Trinidad and Tobago: Towards Further Understanding of the Health-Poverty Nexus

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This dissertation examines the relationship between health states of households in Trinidad and Tobago and microeconomic responses to adverse health. A theoretical model is presented which indicates that under conditions of severe illness, the household as a collective medical spending unit systematically penalizes the goods and services in its consumption bundle that bear no or little direct relationship to restoring health status. A cross-sectional survey of 857 households was used to test this hypothesis as well as to document the cost of other household illness-response strategies. Through descriptive analysis, the study found that the total average cost of responding to adverse health in Trinidad and Tobago over a six-month period was TT \$9,850. Access to health insurance played a positive and significant role in protecting household consumption. On average, households suffering adverse health events and without insurance spent less on each of the five main items of non-health consumption than those with coverage. Finally, illness was found to deepen the poverty gap in the sample by more than 25 percentage points.

Keywords: Andrea Camille Yearwood; ill-health; economic costs, household consumption and poverty.