

# **Are Recessions Really Good for Your Health?** **Evidence from Canada**

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## **Abstract**

This study investigates the relationship between business cycle fluctuations and health in the Canadian context, given that a procyclical relationship between mortality rates and unemployment rates has already been well established in the U.S. literature. Using a fixed effects model and provincial data over the period 1977---2009, we estimate the effect of unemployment rates on Canadian age and gender specific mortality rates. Consistent with U.S. results, there is some evidence of a strong procyclical pattern in the mortality rates of middle---aged Canadians. We find that a one percentage point increase in the unemployment rate lowers the predicted mortality rate of individuals in their 30s by nearly 2 percent. In contrast to the U.S. data, we do not find a significant cyclical pattern in the mortality rates of infants and seniors.

*JEL Code: I10, J20 and E32*

*Keywords:*

*Unemployment, Business Cycles, Health, Mortality*

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