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.

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Unemployment, Business Cycles, Health, Mortality  

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