Comments to “Economic Shocks and Risky Behavior among Youths in Chile”

Novella and Repetto

Claudia Martinez A., IADB y PUC
Paper: Correlations

• What are the determinants of risky behavior among Chilean youth?
• After controls, what are the effects of shocks (health job loss)?
• Cross-sectional data of 3,560/870 15-24 years old in 3 urban areas.
• Risky behavior correlates with age (+), years of education (+), teenage parenthood (+), young children in the household (+), locus of control (-), self-esteem (-), educational aspirations (+), and risk aversion (-), job loss (+), parental separation(+), and health problem or death in family(+).
Paper: Causality

• Instrument number of shocks/job loss using information on school quality (SIMCE)
  • No significant impact
Context

• Is Chile unique in risky behavior?

• In risky behavior determinants?
  • Mental health
  • School strikes/closures
    • Celhay, Depetris-Chauvin, Riquelme, 2023
  • Single parenthood
Proportion (%) of all births where the mother’s marital status at the time of birth is other than married, 2020

Source: OECD Statistics
Figure 1. School closures due to COVID-19 (2020, 2021 and the first quarter of 2022)

Number of instruction days of full closure of lower secondary schools excluding school holidays, public holidays and weekends

Source: OECD (2022), Education at a Glance 2022: OECD Indicators
Mental Health
(Mental Disorders per 100,000)

Questions

• Data on family characteristics
• Identification of male parenthood
Identification

• Correlation of risky behavior with socioeconomic variables
  • Gender
  • Age
  • Years of education
  • Teenage parenthood
  • Hh members <5 or >65
  • Cognitive and non-cognitive measures
  • Wage expectations and aspirations
  • Risk preference and impatience
  • Exposure to shocks: youth (job loss or illness), family (divorce, illness or death, crime), natural disasters
Instrument

- Instrument number of shocks/job loss using information on school quality (SIMCE)
  - Weak instruments
  - Exclusion restriction unclear
Alternative Identification

• Constraint: cross-section, national policies

• Changes in education access:
  • Geographic variation in the number of tertiary education institutions (Card 1993)

• Change in employment:
Alternative identification

• Parenthood
  • Contraceptive prices (Sarzoza, Rau and Urzua 2021), emergency contraceptives (Clarke and Salinas 2021)

• Back to family health shocks:
  • Siblings? Age of the shock
Next question: Impact of risky behavior

• Associate education attainment, job access, crime etc. to risky behavior.
  • Legal marihuana (2015) and age variation
Policy/Research Agenda

• Nini: 15-24: 14%, low in the regional context (25% in Mexico for example). (Novella et al 2018)

• School closed → dropout and quality

• Agenda
  • Youth Employment
  • Alternative graduation paths
  • Job counseling/training
  • Youth under the care of the state: rehabilitation and care
  • After-school care
  • Mental Health, ex: CBT
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