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Title: Inequality of Opportunity in Health in Germany

Abstract: This study investigates the extent to which inequality of opportunity (IOp) shapes health outcomes by assessing how much of observed health inequality is determined by circumstances beyond individual control, including demographic characteristics and early-life environment. The analysis adopts John Roemer's equality-of-opportunity framework and the ex-ante lower-bound measurement strategy. To capture distributional heterogeneity, mean-based decompositions are complemented with unconditional quantile regressions, following recent applied work showing that circumstances often matter more at the adverse tail of the health distribution. To assess the relative importance of each circumstance, Shapley decompositions are employed. As one of the first studies applying the IOp framework to health outcomes in Germany, the analysis uses data from the German Socio-Economic Panel (SOEP) and compares two key health measures - the Mental Component Summary (MCS) and Physical Component Summary (PCS) - over the period 2002 to 2022.