

Abstract

This thesis explores gene-environment interaction models, which comprise a new and rapidly developing field in the empirical economics literature. I study how investments and environments complement or substitute genetic predispositions in various settings. The first chapter shows that one additional year of education moderates the role of genetic predispositions for important medical conditions and diseases. The second chapter documents that adverse macroeconomic conditions negatively affect risk tolerance for individuals with low genetic predisposition for risk tolerance. At the same time I show that these conditions have no significant effect for individuals with genetic predispositions to be risk tolerant. Finally, the third chapter discusses problems in the methodology of the current gene-environment models and proposes a new approach that addresses them.

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