

# Economist Looks at Impact of Daily Decisions

Story by Thressea H. Boyd

**G**rowing up in Hungary, Dr. Attila Cseh was the first in his family to earn a college degree. In high school, he set his goal to attend the Budapest University of Economic Sciences, a highly prestigious university with a focus on economics and management. Located in a city of more than 1.7 million people, Budapest University of Economic Sciences presented Cseh with the opportunity to develop a strong background in the discipline of economics, as well as heightened his awareness and desire to further his education.

“I fell in love with the way economists think—their thought process. I knew that if I wanted to go further in my studies, I would have to come to the U.S.,” said Cseh, who later earned a master’s degree and Ph.D. in economics. “I knew that I needed to be in academia; I love the teaching and the research.”

Cseh has been on the fast-track for advancement since his arrival at Valdosta State University in 2006, with six published articles in peer-reviewed journals, including *The Journal of Economics* and *Southern Economic Journal*, and more than 19 presentations at professional seminars and conferences.

“Dr. Cseh is a rising star at the Langdale College of Business,” said Dr. L. Wayne Plumly, dean of the Langdale College of Business Administration. “He is an outstanding scholar with high expectations for himself and his colleagues. He is a breath of fresh air that has added so much vigor to our college.”

As a microeconomist, Cseh says that his research deals with people’s everyday decisions and those variables that are used to confirm those decisions.

“I am not as interested in the bigger economic picture, like the GDP [Gross Domestic Product] or the inflation rate. Those are more on the macroeconomic side, not that those are not important,” said the 37-year-old associate professor.

“I am primarily a health economist and labor economist, investigating decisions at the individual level, and some of my research has focused on health mandates for insurance coverage.”

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According to the Council for Affordable Health Insurance (CAHI) report “Health Insurance Mandates by States 2011,” there are 2,262 state insurance mandates within the U.S. In comparison, when CAHI began tracking state health mandates in 1993, there were only 850 in all 50 states (a 166 percent increase).

The report further states that Rhode Island and Virginia have the most state mandated health benefits with 70 each; and Idaho has the least with 13.

Cseh became interested in mandated health coverage while working on his doctoral dissertation at the University of Kentucky.

“In my dissertation, I looked at health insurance mandates as it relates to mental health,” Cseh said. “Many thought that mandating the provision of mental health coverage at par with physical health coverage was going to be extremely expensive, and if states mandated the coverage, then some

companies would drop the provision of health insurance or pass the additional cost on to the employees.”

Cseh explains that many health insurance plans gave restrictive mental health coverage or at least not at the same level as other health issues.

“Advocate groups began pushing for the same coverage for mental illness. Their argument focused on the fairness, or lack of, treating mental health differently than physical health. I understand

the passion, but to an economist, there is a difference because demand for mental health treatment is more price sensitive than that for physical illnesses,” said Cseh. “As legislation was passed, then certain employers had to cover mental health just like physical health.”

The question then becomes, who is going to cover the additional cost?

“Whenever a state passes a mandate, they basically push cost on to employers, so every person who is employed by a firm subject to the mandate is going to become more expensive,” said Cseh. “This could cause a ripple effect. If it is really expensive, it could cause lower wages or higher insurance premiums, and thus health insurance could become unaffordable to some people. If so, losing health insurance would be an unintended consequence from the point of view of the legislature that wanted to make mental health treatment more accessible.”



**Dr. Attila Cseh**  
associate professor of economics

Cseh's other research projects examine the issue of how mandated coverage impacts the consumer, as well as the overall health care industry.

"In the case of maternity mandates, states regulated how long insurance policies have to cover hospital stays after birth [48 hours after vaginal birth and 96 hours after C-section]. The question is, how does this impact a hospital's use of resources?" Cseh explained. "Obviously there are a lot more resources used up because the mother and baby are staying longer, resources that cannot go to other needs. Someone will have to pay, and most likely, that is the insurance company. They will raise premiums and pass that down to the consumer in higher premiums, and therefore, you as the consumer will have less money to spend in other areas, like going to a restaurant."

In 2010, Cseh was promoted to associate professor, and the following year, named head of the Department of Marketing and Economics. Even

with the additional administrative duties, Cseh continues his research and scholarly activities and is currently expanding his research interest.

"What I am doing now is looking at sibling order. We all know that sibling order matters for later life outcomes," said the father of three. "I am interested in whether what the literature calls as 'the sibling spacing' matters. Let's assume, for instance, that you are the younger sibling in the family. Are you better off if there is a one to three years of gap, or a six to eight years of age gap between you and your sibling. In particular, my coauthors and I look at whether sibling age difference matters in school grades, risky behavior, or self-esteem. With time we also plan to look at later life outcomes such as marriage, fertility decisions, and job market success."

Cseh says he uses his research in class presentations to help students understand how the concepts of economics work in the real world.

"Basically what economists do is show how people respond to incentives, either social, moral, or economic incentives," Cseh said. "For example, is it a good idea to start charging late fees to parents who are late picking up their children from the daycare? Economists looked at such a 'policy change' and they realized that parents were late even more after late fees were introduced. What happened was that parents began to feel less guilty for making someone wait because now they are paying and, therefore, believed they can be late because they are paying. This is a classic example of the unintended consequences."

Cseh says what he particularly enjoys about economics is its impact on so many other fields.

"I am not a physician, but I am trained in analyzing data and how people and institutions respond to incentives, which is relevant in all facets of life, so as a health economist I can make contributions to the medical field," said Cseh.