

Retired, at last?

The impact of retirement on health status in France

Thomas Barnay¹ and Éric Defebvre²

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Abstract: Reforms of the French *pay-as-you-go* pension system relies on increases in the contribution period, gradually postponing legal retirement ages. Several works analyse the effect of these reforms on employment rate or the financial equilibrium of pension scheme. The effect of transitioning into retirement on health status has not received the same attention. In order to assess the role of retirement on physical and mental health status, we use data coming from the French Health and Professional Route survey (Sip, “Santé et itinéraire professionnel”) and address the methodological issues (endogeneity biases such as reverse causality and unobserved characteristics) by setting up an instrumental variables method relying on discontinuities induced by legal ages of retirement. Unaccounting for endogeneity biases, we do not find any significant effect of retirement on health status as a whole. When instrumenting by legal ages of retirement, we find consistent and large effects on activity limitations, anxiety disorders and depressive episodes. We also find that these effects are heterogeneous according to gender, education levels and past exposures to detrimental working conditions during the entire career. Finally, mechanisms such as social activities, sport and health-related risky behaviours may be able to explain such a positive effect on health status.

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¹ *Érudite*, Paris-Est University (UPE) and Tepp FR n°3435-CNRS, barnay@u-pec.fr.

² *Érudite*, Paris-Est University (UPE) and Tepp FR n°3435-CNRS, eric.defebvre@univ-paris-est.fr.

