

Does later retirement change your healthcare expenditure? Evidence from France

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This paper examines the causal impact of later retirement on doctor visits among the French elderly. This question is of interest since spillover effects may arise if later retirement increases healthcare expenditure. I exploit, as an instrumental variable, the 1993 French pension reform in a two-stage least square to deal with the endogeneity of retirement. This reform leads to a progressive increase of claiming age, cohort by cohort from 1934 to 1943. I use a two-part model to deal with the mass point in zero, the skewness and long-right tail of healthcare expenditure, and to disentangle between extensive and intensive margin. I take advantage of administrative data *HYGIE* to observe both healthcare expenditure between 2005 and 2015 and past careers. I find that later retirement does not significantly affect in the probability to have at least one doctor visit per year. However, it decreases the number of doctor visits by 2.89% between ages 67 and 72 and 2% between ages 70 and 75. This effect is driven by the consumption of generalist doctor visits.