

The Heterogeneous Effect of Retirement on Informal Care Behavior*

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Abstract

What are the possible effects of retirement policies aimed at extending working lives on informal care provision? Who is more likely to be affected? To address these questions, we estimate a model that allows the causal effect of retirement on care provision to be heterogeneous with respect to observable and unobservable characteristics. The outcomes we consider are informal care provision, the conditional frequency (intensity) of care provision and the, possibly simultaneous, provision of different types of care (personal care, household help and paperwork help). To tackle the possible endogeneity of the selection on retirement, we use the heterogeneity of retirement rules between and within European countries from the SHARE survey. We find that, on average, retirement has no effect on the participation in care provision, but it increases its conditional intensity and the simultaneous provision of different type of care. The estimated effects are quite small and we find some heterogeneity. Indeed, the marginal effect of the observable characteristics on the average treatment effect (ATE). The results suggest that it is reduced with poor health conditions and for single men while it is increased with the good health condition of the parent. This suggests that adult child's informal care provision is less sensitive to parent's health with retirement. Finally, for the conditional frequency, the marginal effect on the ATE is decreased for men but it is stronger for those who are single. It also reduced with the distance from the parents while it is increased with the educational level.

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