

To work or not to work? The effects of higher pension age on cardiovascular health.

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The study explores the possible unintended health effects of pension reforms aimed at extending working life. The causal link between retirement age and hospitalization for cardiovascular diseases is investigated on a longitudinal Italian administrative database which combines both work and health histories archives.

Endogeneity of retirement is addressed by an instrumental variable identification strategy, in a quasi-natural experiment set-up. The instrument exploits the variation in pension age determined by the standardization of the labour market transitions, which induces workers born during the first months of the year to retire at an older age.

Results show that retirement at older age has a significant negative effect on health. On average, retiring one year later is associated to a CVD hospitalization growth of 2.0-3.4 percentage points ($p < 0.01$), corresponding to an increase of about 30-50 percent. Only disadvantaged socio-economic groups appear vulnerable to the extension of working life as it turns out that the detrimental effect of higher pension age is entirely borne by blue-collar workers, in the secondary sector and low wages earners, with a null or marginal significant effect on their better-off counterparts.