Abstract

The number of retirees has been increasing in many countries in recent years. Previous research has shown that health shocks have a positive impact on the decision to retire. This paper assesses how being retired affects both physical health and mental well-being. Panel data allow us to follow people over the retirement process. We find that on average retirement has a significant negative impact on physical health and no clear effect on well-being, for men and women.

A difference-in-difference approach enables us to highlight several inequalities:
- For women, early enjoy significantly smaller decreases in health than normal retirees. This is not the case for men.
- For women, retirement goes hand with a fall in health which is larger for non-manual women than for manual women. So retirement seems redistributive in health terms for women. In contrast, manual/non-manual health differences do not decrease with retirement for men.