

## **The Effect of a Longer Working Horizon on Individual and Family Labour Supply**

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### **Abstract**

Pension reforms that increase minimum retirement age are thought to mainly affect the labour supply of older workers, inducing them to postpone retirement. However, by increasing the expected working life duration, they can also impact the labour supply of younger individuals. This paper explores this last channel at the individual and at the family level, by using a difference-in-differences setting that exploits the large and unexpected increase in minimum retirement age induced by an Italian pension reform. While at the individual level we find a sizable increase in participation and employment of middle-aged women but not of men, at the family level we find that husbands respond to changes in their wives' working life duration by supplying more labour.