

Working horizon and labour supply: the effect of raising minimum retirement age on middle-aged individuals

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Abstract

This paper analyzes the effects of raising the minimum retirement age on the labour force participation of middle-aged individuals and their partners. Identification relies on a difference-in-differences setting that exploits the large heterogeneous increase in the minimum retirement age induced by an unexpected Italian pension reform. While at the individual level we detect a sizable increase in the participation rate 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 and postponing retirement.