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It's resolved, when you retire has no impact on when you die

Whether you make a fortune and retire young or work into old age, the time of death's knock will be unaffected, a groundbreaking study by the Australian School of Business reveals.

The impact of retirement on when we die is hotly contested with more than 1000 academic studies on the topic often with starkly conflicting findings. On the one hand, leaving employment may reduce stress and lead to greater enjoyment of life, suggesting early retirement increases longevity. Alternatively, it may lead to a loss of social networks as well as reduced mental and physical activity, suggesting later retirement is preferable.

In the most comprehensive study of its kind to date, researchers at the ARC Centre of Excellence in Population Aging Research (CEPAR) have concluded that retirement has no impact on how long we live.

"While it is tempting to link retirement to life expectancy, the reality is that health status is the primary determining factor in when we die," says John Piggott, Professor of Economics at the Australian School of Business and Director of CEPAR. "Health influences both the timing of retirement and when we die which has sometimes caused confusion in earlier studies," he says.

"As Australia's population continues to live longer, the amount of time spent in the post-work period is extending and this has significant cost implications for both individuals and governments.

"In the future, if policymakers consider increasing the age of retirement as a way to cope with this rising fiscal burden, our study shows they need not worry about any adverse affect on the mortality rate of the population."

For the study, researchers gained access to unique population data from the Norwegian government for the period from 1990 through to 2010. Through the 1990s, a significant number of public and private sector companies in Norway progressively reduced the pension access age from 67 to 62 causing employees to retire earlier than expected. For the remainder of the population the national retirement age remained 67. When comparing the longevity of individuals that retired early, with those who worked through to 67, the researchers could find no discernible difference. This led them to conclude that retirement does not impact when we die.

While the researchers found no link between retirement and age of death in most circumstances, Professor Piggott says there is a strong correlation between individuals being forced out of work, due to company closures or downsizes, and increased mortality.

“When a person’s choice to leave work is removed, this does seem to impact mortality, most probably because of a variety of factors such as depression and loss of social networks.”

Professor Piggott says that while the dataset is Norwegian, the findings are equally relevant for Australia and other developed countries. The quality of the dataset, and its unique nature, have allowed for one of the most comprehensive studies to date of the link between retirement and mortality.

For more information contact:

Melanie Brake on 0479 072 233, m.brake@unsw.edu.au

Caleb Hulme-Moir 0432 737 729, chm@manacommunications.com