

Occupation, Retirement and Cognitive Functioning

Shinya Kajitani, Meisei University,
Kei Sakata, Ritsumeikan University
and
Colin McKenzie, Keio University¹

Abstract

The purpose of this paper is to examine the causal impact of retirement on cognitive functioning of elder workers using the panel of National Survey of Japanese Elderly (NSJE). We explore the effects of the longest tenure job (career job) on cognitive functioning. We focus on the workers' job tasks rather than industry or occupation and examine cumulative effects of job tasks on cognitive functioning. We will merge the occupational characteristics in the Dictionary of Occupational Titles (DOT) by 2 digit industry code and examine how occupational task requirements such as physical demands, mathematical development, reasoning development, and language development have the impacts on the cognitive functioning. Our empirical evidence suggests that mathematical tasks performed in worker's career job reduce the deterioration of memory loss. Furthermore, the duration of retirement has negative impacts on memory score, and it accelerates as year goes by. Our findings imply that the effects of retirement are not instantaneous and we need to consider the effects of retirement on cognitive functioning in dynamic sense.

Keywords: cognitive functioning, endogeneity, retirement,

JEL Classification Numbers: I10, J26

¹ All three authors would like to gratefully acknowledge the financial assistance provided by the Japan Society for the Promotion of Science (JSPS) Grant in Aid for Scientific Research (B) No. 24330093 for a project on "Retirement Behavior of the Aged and their Cognitive Ability and Health". All authors also wish to acknowledge the kind permission of the Tokyo Metropolitan Institute of Gerontology, the University of Michigan and the Social Science and the Social Science Japan Data Archive, Information Center for Social Science Research on Japan, Institute of Social Science, University of Tokyo in making available the data in the "Longitudinal Study of a National Survey of Japanese Elderly (NSJE)" (Zenkoku Koureisha no Seikatsu to Kenkounikansuru Chouki Jyuudann Chousa) for use in the analysis in this paper. The third author wishes to gratefully acknowledge the research support provided by Sciences Po and the University of Bocconi.