Occupation, Retirement and Cognitive Functioning

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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,
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