

# Does Retirement Change Life Style Habits? \*

Hiroyuki Motegi <sup>†</sup>Yoshinori Nishimura <sup>‡</sup>Kazuyuki Terada <sup>§</sup>

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## Abstract

This paper studies the effect of retirement on life style habits, including drinking, smoking and exercise by using the Japanese Study of Aging and Retirement (JSTAR). Rich information in JSTAR enables us to use unique instrumental variables to account for endogeneity. Our contribution is showing new results that people reduce smoking and alcohol intake after retirement though frequency of exercise seems unchanged. Controlling important factors also allows us to inspect the detailed channels between retirement and life style habits. Our estimation suggests that peer effects in the work place is mainly influential to habits of drinking and smoking.

JEL Classification Numbers: I00, I100, I120, I190, J260.

Keywords: retirement, life style habits, smoking, drinking, exercise, Japanese elderly people, JSTAR, instrumental variable, mandatory retirement, fixed effect

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<sup>†</sup>Graduate School of Economics, the University of Tokyo, Japan. email: motegihiro@gmail.com

<sup>‡</sup>Graduate School of Economics, the University of Tokyo, Japan. email: nishimura.yy@gmail.com

<sup>§</sup>Graduate School of Economics, the University of Tokyo, Japan. email: trdkzyk@gmail.com