

Abstract Emiko Usui

Using the Japanese Study on Aging and Retirement (JSTAR), this paper investigates how men in Japan from ages 60 to 74 adjust their attachment to the labor force to their new lives after beginning to claim public pension benefits. We compare men who were employed with those who were self-employed at age 54. The former group (those employed at age 54) gradually moved to part-time status or retirement after they began to receive pension benefits, and those who remained in the workforce were more likely to feel underemployed. In contrast, the latter group (those self-employed at age 54) did not retire or change their working hours—hours per week or weeks per year—even after they began to receive pension benefits, and those who remained in the workforce were more likely to feel overemployed. These results suggest that there remains extra work capacity to be utilized even after pensionable age for men who had been employed (but not self-employed). We compare our results with those for U.S. men using the Health and Retirement Study (HRS). We find that U.S. men decide to retire or move to part-time status more often than Japanese men do at the time of their initial social security claims, and that U.S. men who work as employed workers after beginning to receive social security are not likely to feel either over- or underemployed. Therefore, in contrast to U.S. men, Japanese men may not be choosing the optimal pensionable ages and labor hours to maximize their intertemporal utility.