“Retirement Timing of Women and the Role of Care Responsibilities for Grandchildren”
Lumsdaine and Vermeer

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The paper in a nutshell

› The paper examines the relationship between caring for grandchildren and women’s retirement using HRS data.

› Cox proportional hazard model to estimate, separately, the times to retirement and caring for grandchildren.

› Controls include a large number of socio-demographic characteristics, health status of the woman and her spouse and the type of health insurance coverage.

› The results show that the arrival of a new grandchild increases the probability of retirement by 8.5%. Caring has little effect.
There is a lot to like about the paper

- Very policy relevant issue – “sandwich generation”.

- Extremely careful description of the data and the sample selection.

- A pleasure to read!
Endogeneity

› Two potential sources of endogeneity:

- **Reverse causality**: A woman might decide to have a child because she knows that her mother is willing to leave her job to take care of her/him.

- **Unobserved heterogeneity**: Unobserved taste for work might be correlated with the probability of becoming a grandparent, e.g. if preferences for fertility are transmitted from mothers to daughters.

Hours of work/care

› Exploit more the richness of the data.

› Puzzling result: arrival of a new grandchild vs. caring.

› Modelling hours of work and hours of care in addition to work/retire, caring/not caring?
  • Is the effect driven by women with lower attachment to the labour market?
  • How many hours of care matter? Now somewhat arbitrarily defined threshold (336 hours per year).
Other comments

› Distinguish between the effect of becoming a grandmother and having a new (additional) grandchild. Is the "extensive" or "intensive" margin that matters?

› Many controls: some are clearly endogenous, some it is not clear (to me!) why they should be included. I would show the results from a simpler specification.

› Dummy for co-resident grandchild: how are the hours of care defined?

› Policy implication: what’s the effect on the labour supply of the mother of the grandmother providing care?