What’s Politics Got to Do with It?
Changes in Retirement Expectations in Response to the ACA

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Key Findings and Policy Implications
This paper estimates the effect of the Affordable Care Act (ACA) on retirement, and whether the effect differs based on people’s political beliefs. The research was conducted as part of a University of Washington survey on the health-related attitudes of Washington residents. The paper finds that:

- 15 percent of the sample indicated that they would be more likely to retire earlier due to the ACA; and 17 percent indicated that they would be more likely to retire before the Medicare eligibility age of 65.

- Most demographic factors were uncorrelated with people’s response about whether their retirement expectations changed under the ACA. However, political beliefs were strongly correlated with people’s response. This strong correlation was specific to people’s political belief about the ACA, rather than their political affiliation more generally.

- ACA opponents (people who believe that the Supreme Court was incorrect in upholding the individual mandate) were 39 percent less likely to say that the ACA increased their chances of retiring earlier. ACA opponents were 48 percent less likely to say that the ACA increased their chances of retiring before Medicare eligibility at age 65. The correlation was consistent and strong, regardless of how one measures beliefs about the Affordable Care Act.

Because access to health insurance is known to influence labor market decisions, there was speculation that the ACA could induce some people to retire earlier by providing alternative coverage to employment-based health insurance. The findings reinforce that possibility, but also point to strong differences in effect, based on people’s political feelings about the ACA.

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