

The Impact of Debt on Retirement

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Abstract

The objective of this study is to explore the relationship between people's debts and their retirement status. Investigation is done in terms of whether and how debts influence the likelihood of retirement. Descriptive analysis of selected variables is conducted among retired, nonretired and total sample for married and single households separately. Based on different measures of debt status, four logistic regression models are developed for married and single households respectively. The results show that for married household, owing debts, higher debts level and mortgage debts, as well as credit card debts are negatively associated with the likelihood of being retired. However, for singles, only debt difficulty is negatively related to the possibility of retirement.