

# Does early access to pension funds improve health?

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In a recent study from Singapore, early access to pension wealth was associated with improved health status. The findings are published in *Economic Inquiry*.

Singapore has a unique policy that allows individuals to withdraw a proportion of their [pension](#) savings after their 55th birthday, which relaxes individuals' borrowing constraints. To examine its [health impacts](#), investigators analyzed monthly survey data from 2015 to 2019, comparing individuals' self-reported health status before and after their 55th birthday.

The results indicated that early access to pension wealth improves overall [health status](#). Detailed analyses of underlying mechanisms showed that early access to pension wealth might boost health by improving psychological well-being.

"Since allowing the early partial withdrawal of pension balances does not necessarily increase the fiscal burden of the government, our results imply that flexible access to pension wealth could be a cost-effective policy to improve the health of middle-aged individuals," said co-author Kanghyock Koh, Ph.D., of Korea University.

**More information:** Seonghoon Kim et al, DOES EARLY ACCESS TO PENSION WEALTH IMPROVE HEALTH?, *Economic Inquiry* (2020). [DOI: 10.1111/ecin.12903](https://doi.org/10.1111/ecin.12903)

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