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FINANCING PUBLIC EDUCATION WHEN AGENTS HAVE RETIREMENT
CONCERNS

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ABSTRACT: We study the link between the voters' support for publicly financed education and the retirement system. We show that, when the pension system includes a redistributive component, the support for publicly financed education increases the greater the degree of redistribution provided by the system. Furthermore, support also increases the greater the proportion of income that finances pensions (i.e., the pension system's generosity). This occurs because adults adjust their behaviour in accordance with the returns of the education of the young on their future pensions.

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Keywords: Public education, pension system, voting, OLG

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