

IPAF 4900: Research Experience Opportunity

Project Title: Retirement Consumption Puzzle and Housing Wealth

Term: 2017 Fall

Supervisor: Minjoon Lee

Unit: Department of Economics

Description of project: Many households reduce consumption expenditures when they retire, even when the retirement was an expected event. This goes against the notion of consumption smoothing and hence called the “retirement consumption puzzle.” One element that has not been explicitly considered in the literature on this puzzle is the role of housing wealth. At retirement, many households move either because they no more need to live close to their work, or they want a different set of amenities in retirement, or they have more time to enjoy a better/larger house. Depending on whether housing consumption is complementary to or substitutable for non-housing consumption, moving at retirement can have a varying effect on non-housing consumption.

This project examines patterns of moving at retirement and how they are related to changes in non-housing consumption. This term, the project focuses on documenting empirical patterns in survey datasets including the Health and Retirement Studies (HRS) and Panel Study of Income Dynamics (PSID). It aims to understand how many households move at retirement, what they look for when they move, and how this moving pattern is correlated with changes in non-housing consumption.

Number of students required: One

Research duties:

- Literature review: 15 hours
- Empirical work using the HRS and PSID
 - Learning the structure of the dataset: 10 hours
 - Compiling dataset, running statistical analysis, generating tables and figures: 25 hours
- Attending weekly meetings and writing weekly reports: 15 hours

Learning and reflection activities:

- Literature review essay due at the weekly meeting on the 5th week.
- Weekly report of progress due at every weekly meeting.
- End-of-term summary of empirical findings.

Learning outcomes:

- Learn how to conduct empirical research using a large panel dataset.
 - How to transform research questions into specific empirical investigations.
 - How to choose sample, define variables, and select empirical methodologies.
 - How to summarize results effectively in tables and figures.
 - How to write codes effectively and how to adequately document them.

- How to effectively communicate in team-work environment.
- Learn how to use statistical software, in particular STATA.
- Learn how to effectively conduct literature review.

Evaluation Criteria:

- Literature review: 30%
- Weekly reports: 40%
- End-of-term summary: 30%

Skills or knowledge required:

A good intermediate knowledge of the fields of Economics and Statistics is required. Knowledge of Stata is preferred but not required.

Any required health and safety training: N/A

Other considerations: None

Application instructions:

Participants are selected on the basis of merit and fit with the research project. Please submit a CV, transcript, and cover letter indicating why you are interested in and qualified for this research experience to the undergraduate administrator of the unit listed above. The application deadline is normally April 30th (for IPAF 4900 opportunities in the summer or fall term), August 15th (for fall and winter term opportunities) and November 15th (to take IPAF 4900 in the winter or summer term). Only students with a GPA of 9.5 or higher and at least third year honours standing will be considered.

To find out more about IPAF 4900, please visit: <http://carleton.ca/fpa/ipaf-main/>
