



Subject card

Subject name and code	Empirical research on household economic behaviour and well-being, PG_00045797						
Field of study	Economic Analytics						
Date of commencement of studies	October 2022	Academic year of realisation of subject			2023/2024		
Education level	second-cycle studies	Subject group			Optional subject group Subject group related to scientific research in the field of study		
Mode of study	Full-time studies	Mode of delivery			at the university		
Year of study	2	Language of instruction			English		
Semester of study	3	ECTS credits			3.0		
Learning profile	general academic profile	Assessment form			assessment		
Conducting unit	Katedra Statystyki i Ekonometrii -> Faculty of Management and Economics						
Name and surname of lecturer (lecturers)	Subject supervisor		dr Piotr Paradowski				
	Teachers		dr Piotr Paradowski				
Lesson types and methods of instruction	Lesson type	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	Number of study hours	0.0	0.0	30.0	0.0	0.0	30
	E-learning hours included: 0.0						
Learning activity and number of study hours	Learning activity	Participation in didactic classes included in study plan		Participation in consultation hours		Self-study	SUM
	Number of study hours	30		6.0		39.0	75
Subject objectives	Empirical research on household economic behaviour and well-being.						
Learning outcomes	Course outcome	Subject outcome			Method of verification		
	[K7_W14] knows the principles of creating and developing forms of individual entrepreneurship using knowledge from the field of economic sciences	Student has a good knowledge of how individual economic/financial attitudes and behaviors influence economic well-being of each individual.			[SW3] Assessment of knowledge contained in written work and projects [SW1] Assessment of factual knowledge		
	[K7_U02] can use theoretical knowledge in the field of economics and finance to obtain, analyse and interpret data on economic processes and phenomena and on their basis formulate own opinions	Student knows the recent trends in economic literature on the determinants of household economic behaviour and wellbeing.			[SU4] Assessment of ability to use methods and tools [SU3] Assessment of ability to use knowledge gained from the subject [SU2] Assessment of ability to analyse information		
	[K7_K01] understands the need for continuous learning and, in particular, for advanced and modern tools for data analysis	Student has a broader knowledge about the analytical tools for the analysis of household economic behaviour and well-being.			[SK4] Assessment of communication skills, including language correctness [SK3] Assessment of ability to organize work [SK2] Assessment of progress of work		
	[K7_U07] can use the acquired knowledge of economic sciences and quantitative methods to identify, formulate and propose solutions to specific economic problems and assess their effectiveness	Student is able to conduct empirical analysis using econometric methods to analyze household economic behaviour and well-being as well as propose some solutions based on these findings.			[SU4] Assessment of ability to use methods and tools [SU3] Assessment of ability to use knowledge gained from the subject [SU2] Assessment of ability to analyse information [SU1] Assessment of task fulfilment		
	[K7_W08] knows the principles of preparing and analysing revenues and costs in enterprises and financial institutions used in preparing reports and taking management decisions	Student knows quantitative methods that use statistical data, in particular financial and economic data.			[SW3] Assessment of knowledge contained in written work and projects [SW1] Assessment of factual knowledge		

Subject contents	<p>This course looks into policy and research questions concerning the economic well-being and behaviour of households as well as provides the tools for analytical, computational, and econometric investigation concerning these questions. In particular, the focus is on analytic economic measures of well-being (specifically wealth, but also touching upon income and consumption) as they are used in the empirical research and can be applied to inform policy-makers. This course explore the level of savings, investments, and debt, how wealth is distributed among households, as well as factors that affect wealth holdings and accumulation, such as compositional differences across households and associated behaviours. Since household behaviours are informative for understanding developments in household wealth at the micro level, the following topics will be covered during the course: i) saving and investment attitudes and behaviours, including risk aversion, financial literacy, financial planning, and how financial information is obtained; ii) housing attitudes; iii) loan refinancing, payment behaviour and credit lines available; iv) household financial constraints. The empirical exercises employ household microdata from various countries using Stata software</p>		
Prerequisites and co-requisites	Methods of Quantitative Analysis.		
Assessment methods and criteria	Subject passing criteria	Passing threshold	Percentage of the final grade
	Case study	60.0%	100.0%
Recommended reading	<p>Basic literature</p> <p>OECD (2013), OECD Guidelines for Micro Statistics on Household Wealth, OECD Publishing. <a href="http://dx.doi.org/10.1787/9789264194878-en">http://dx.doi.org/10.1787/9789264194878-en</a></p> <p>Luigi Guiso, Paolo Sodini; Household Finance: An Emerging Field, Handbook of the Economics of Finance 2013, Volume 2, Part B: 1397-1532, <a href="https://doi.org/10.1016/B978-0-44-459406-8.00021-4">https://doi.org/10.1016/B978-0-44-459406-8.00021-4</a></p> <p>Cristian Badarinza, John Y. Campbell, Tarun Ramadorai; International Comparative Household Finance, Annual Review of Economics 2016, 8 (1): 111-144, <a href="https://doi.org/10.1146/annureveconomics-080315-015425">https://doi.org/10.1146/annureveconomics-080315-015425</a></p> <p>John Y. Campbell; Restoring Rational Choice: The Challenge of Consumer Financial Regulation, American Economic Review: Papers &amp; Proceedings 2016, 106(5): 130, <a href="http://dx.doi.org/10.1257/aer.p20161127">http://dx.doi.org/10.1257/aer.p20161127</a></p> <p>Hamilton L.C. Statistics with Stata: Version 12, Cengage</p>		

	Supplementary literature	<p>Maarten C.J. van Rooij, Annamaria Lusardi, Rob J.M. Alessie; Financial Literacy, Retirement Planning and Household Wealth, <i>The Economic Journal</i> 2012, 122(560): 449478, <a href="https://doi.org/10.1111/j.1468-0297.2012.02501.x">https://doi.org/10.1111/j.1468-0297.2012.02501.x</a></p> <p>Julia Le Blanc, Alessandro Porpiglia, Federica Teppa, Junyi Zhu, Michael Ziegelmeyer; Household Saving Behavior in the Euro Area, <i>International Journal of Central Banking</i>, June 2016, <a href="https://www.ijcb.org/journal/ijcb16q2a2.pdf">https://www.ijcb.org/journal/ijcb16q2a2.pdf</a></p> <p>Dirk Brounen, Kees G.Koedijk, Rachel A.J.Pownall; Household financial planning and savings behavior. <i>Journal of International Money and Finance</i> 2016, 69: 95-107, <a href="https://doi.org/10.1016/j.jimonfin.2016.06.011">https://doi.org/10.1016/j.jimonfin.2016.06.011</a></p> <p>Foster, J. E., S. Seth, M. Lokshin, and Z. Sajaia. 2013. A Unified Approach to Measuring Poverty and Inequality. Washington, DC: The World Bank. <a href="http://documents.worldbank.org/curated/en/281001468323965733/pdf/782980PUB0EPI0000PUBDATE05010020130.pdf">http://documents.worldbank.org/curated/en/281001468323965733/pdf/782980PUB0EPI0000PUBDATE05010020130.pdf</a></p> <p>Campbell, J. Y. Household finance. <i>The Journal of Finance</i> 2006, 61(4), 1553-1604. <a href="https://doi.org/10.1111/j.1540-6261.2006.00883.x">https://doi.org/10.1111/j.1540-6261.2006.00883.x</a></p> <p>Cocco, J. F., Gomes, F. J., &amp; Maenhout, P. J. Consumption and portfolio choice over the life cycle. <i>The Review of Financial Studies</i> 2005, 18(2), 491-533. <a href="http://faculty.london.edu/fgomes/cgm.pdf">http://faculty.london.edu/fgomes/cgm.pdf</a></p> <p>Van Rooij, M., Lusardi, A., &amp; Alessie, R. Financial literacy and stock market participation. <i>Journal of Financial Economics</i> 2011, 101(2), 449-472. <a href="https://doi.org/10.1016/j.jfineco.2011.03.006">https://doi.org/10.1016/j.jfineco.2011.03.006</a></p> <p>Campbell, J. Y., &amp; Cocco, J. F. Household risk management and optimal mortgage choice. <i>The Quarterly Journal of Economics</i> 2003, 118(4), 1449-1494. <a href="https://scholar.harvard.edu/files/campbell/files/campbellcocco_qje2003.pdf">https://scholar.harvard.edu/files/campbell/files/campbellcocco_qje2003.pdf</a></p> <p>Frank Cowell, Brian Nolan, Javier Olivera, Philippe Van Kerm, Wealth, Top Incomes and Inequality, LWS Working Papers Series 2017, No. 24, <a href="http://www.lisdatacenter.org/wps/lwswps/24.pdf">http://www.lisdatacenter.org/wps/lwswps/24.pdf</a></p> <p>Cupak, Andrej, Pirmin Fessler, Joanne W. Hsu, Piotr R. Paradowski (2022). Investor confidence and high financial literacy jointly shape investments in risky assets, <i>Economic Modelling</i>, Volume 116, <a href="https://doi.org/10.1016/j.econmod.2022.106033">https://doi.org/10.1016/j.econmod.2022.106033</a></p> <p>Lindner, P. (2015). Factor decomposition of the wealth distribution in the euro area. <i>Empirica</i>, 42(2), 291-322.</p> <p>Jappelli, T. (1990). Who is credit constrained in the US economy?. <i>The Quarterly Journal of Economics</i>, 105(1), 219-234.</p> <p>D'Ambrosio, C., Jantti, M. &amp; Lepinteur, A. (2020). Money and happiness: Income, wealth and subjective well-being. <i>Social Indicators Research</i>, 148(1), 47-66</p>
	eResources addresses	<p>Uzupełniająca</p> <p>Adresy na platformie eNauczanie:</p> <p>Empirical research on household economic behaviour and well-being - Moodle ID: 34143</p> <p><a href="https://enauczanie.pg.edu.pl/moodle/course/view.php?id=34143">https://enauczanie.pg.edu.pl/moodle/course/view.php?id=34143</a></p>

<p>Example issues/ example questions/ tasks being completed</p>	<p>1. Using the Luxembourg Wealth Database (<a href="http://www.lisdatacenter.org">www.lisdatacenter.org</a>), present basic facts about who owns asset and how much, how ownership and compositions of assets as well as risk aversion varies according to wealth, income, and age. Perform your analysis on Austria and UK. Discuss your findings.</p> <p>2. Examine the association between financial literacy and net worth controlling for other factors. Does financial literacy facilitate wealth accumulation? If so, in what type of assets knowledgeable individuals invest? Utilize the U.S. and Italian wealth microdata from the Luxembourg Wealth Database ( <a href="http://www.lisdatacenter.org">www.lisdatacenter.org</a>). Do Americans differ a lot from Italians?</p>
<p>Work placement</p>	<p>Not applicable</p>