

## ***Empirical Economics*** **SYLLABUS**

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### **Summary of the course**

The course will develop a framework to empirically analyze individual's and household's decisions. In particular the course will look at:

### **Empirical Consumer's Choices**

Starting from a simple inter-temporal problem with no uncertainty we will develop the standard Life Cycle Model of saving with its empirical predictions and test. We will see how to estimate the Euler equation for consumption without uncertainty and with uncertainty with some hints at precautionary saving and the role of expectations. We will analyze the role of liquidity constraints for empirical work.

### **Labour supply and retirement**

We will briefly look at the labour supply decision of individuals by also making use of the Heckman's model.

We will apply to the labour supply decision the "natural experiment approach"

We will look at some "retirement" models

### **Textbooks and References**

- Deaton, A. (1994), Understanding Consumption, Oxford University Press.
- Hayashi, F. (1985), The effect of liquidity constraints on consumption, QJE, February.
- Heckman, J. (1979), Sample selection bias as specification error, Econometrica, 47.
- Gruber J. and D. Wise (1999) Social Security around the World. Chicago University Press
- Wooldridge (2001) "Econometric Analysis of Cross Section and Panel Data"

Specific papers will be indicated as extra references

### **Exams**

There will be two homeworks that will count for 30% of the final grade.  
The remaining 70% will be obtained taking a written examination