Research Seminar in Empirical Household Finance
Prof. Johannes Stroebel (NYU Stern) -- FINC-B40.2309

Meeting time and Target Audience:
Fridays, 1.30pm – 4.30pm, 9/7/2018 - 12/15/2018, Room KMC 3-80 (NYU Stern).

Interested students from all years and departments are welcome. I welcome auditors to the class, conditional on them being willing to participate as if they were registered.

Please email me if you have any questions about the class (johannes.stroebel@nyu.edu).

Overview:
This PhD course presents research topics in the growing area of household finance. Each week, we will read a number of papers in one research area within household finance. Most of the papers will be empirical, and in most weeks our discussions will highlight how the papers use various empirical strategies (instrumental variables, differences-in-differences, regression discontinuity, structural estimation, and field experiments) to identify causal effects.

The topics are chosen to give students a taste of the types of research done under the “household finance” umbrella, rather than to provide a comprehensive overview of household finance research. The papers on the reading list include both seminal and current research papers in the area. As a result, the list will be highly incomplete – please email me if you want directions for further research in any area of household finance, even if not explicitly covered on the syllabus.

In the first class, I will give an introductory lecture to provide an overview of the field. In each of the following weeks, we will discuss two of the papers marked with a (*) in detail. All students are expected to have read at least two of the starred papers closely. As you read the papers, I want you to pay particular attention to the following questions: What questions did the papers leave unanswered? What might be other analyses that you could do?

In class, I will start by presenting one of the assigned papers. This paper will usually be part of my own research agenda in household finance. When presenting my own work, I will also discuss the process of writing the paper (how did we come up with the idea, what were the challenges we faced, what happened in the refereeing process, what did people like/dislike about the paper, how does the paper fit into the broader literature, and what are other things we’d like to do going forward)? I found those discussions the most useful parts of my own PhD topics classes, and hope you will find them equally useful.
After that, the one of the other papers will be presented by a student. This presentation should cover the following topics:

- What is the research question?
- Which open questions in the literature is the paper addressing?
- What is the data and research design?
- What are the main findings, and how do they answer the question discussed?
- What are potential concerns with the results?

These presentations should aim to be around 30 minutes in length if presented uninterrupted. However, we will hopefully have a lively discussion about these papers as they are presented. The assignments of paper presentations will be done after the first class.

If you are not presenting a paper in a given week, you are expected to write a referee report on one of the starred papers – this referee report should briefly address the same questions as the presentation. Each report should also include a short section at the end on one idea for additional research on the week’s topic. These research ideas should include:

- What is the research question?
- What research design would I employ?
- What data I would need for this? Do the data exist?

These reports should be emailed to me by 11am of the day of the class. Writing these reports ensures that we all benefit maximally from the discussion in the class.

As you will see, many of the most exciting empirical research projects use large and novel data sets. One of the things I will focus on in this class is to introduce students to the process of working and collaborating with companies and regulatory agencies (e.g., Trulia, Facebook, Vanguard, the OCC) to obtain access to such data sets.

Grading will be done based on the quality of students’ presentation (50%), class participation (20%), and referee reports (30%).

**Week 1: Overview of Household Finance (September 7, 2018)**


**Week 2: Household Preferences (September 14, 2018)**


**Week 3: Unsecured Credit & Regulation of Consumer Financial Products (September 21, 2018)**

*Empirical Strategy: Differences-in-Differences*


Week 4: Information Frictions in Consumer Credit Markets (September 28, 2018)

Empirical Strategy: Field Experiment


Week 5: Household Beliefs & Behavior I (October 5, 2018): Guest Lecture by Theresa Kuchler


Week 6: Household Beliefs & Behavior II (October 19, 2018)

Empirical Strategy: Survey Design


Week 7: Peer Effects & Economic and Financial Decision Making I (October 26, 2018)

Note: The data provided by “Social Connectedness: Measurement, Determinants, and Effects” might be very helpful in your own research projects.


**Week 8: Peer Effects & Economic and Financial Decision Making II (November 2, 2018)**


**Week 9: Mortgage Choice, Refinancing, Default, and Mortgage Design (November 9, 2018)**


Week 10: Housing Wealth and Household Decision Making (November 16, 2018)

Empirical Strategy: Instrumental Variables Estimation


Week 11: Financially-Constrained Households & Monetary and Fiscal Policy (November 30, 2018)

Empirical Strategy: Regression Discontinuity Estimation


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**Week 12: Climate Change, Financial Markets, and Household Responses (December 14, 2018)**

Note: Understanding the economic effects of climate change, and households’ responses to them is what I think one of the most important and understudied research topics.


