

Household Propensities to Plan for Retirement: A Life Cycle Analysis

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I. The Paper: Grasshoppers (Spenders) vs. Ants (Savers) II

- A. Basic Story from Grasshoppers and Ants I
- B. New Twist: Pre-retirement Behavior
- C. Bottom Line: 10-20 Percent of (1989 PSID) 50-65 Year Olds are “Myopic” and/or “Undisciplined” Grasshoppers

II. So What?

A. 1972 and 1975 Evidence on “Savings Questions”

1. What Else Happened in 1972 and 1973?
2. How Times have Changed!

B. 1989 PSID Families Aged 50-65

1. Immigrants?
2. PSID-SEO Sample?
3. Cohort Effects?

II. So What? (con't)

- C. Health and Unemployment Shocks: 70's vs. 80s, Why One Matters, Not the Other?
- D. Non-Saver (“Grasshopper”) Characteristics
 1. Less Married, but NOT Less Divorced
 2. (Far) Less Likely to Own a Home
 3. Less Educated (P=.22?)



II. So What? (con't)

- E. Consumption in Retirement: Food Only (No!)
 1. See Other Goods Too
 2. Other Studies and Surveys have Different Findings
 3. Medians vs. Tails

III. Conclusion

- A. Generalizability: Serious “Period and Sample” Issues
- B. How Worried Should We be About This Many Grasshoppers (Up to 10 to 15 Percent of the Population) in 2005?
- C. Still Good Research (To Be Replicated with HRS?)

The Decline in Household Saving: What Can We Learn from Survey Data

by Barry Bosworth and Lisa Bell

Comments by Tim Smeeding



I. Briefly...

- A. Aggregates: Governments, Corporations, Households
- B. Physical vs. Human Capital Accumulation
- C. Individual Savings and Surveys
 - 1. Panel Data: Noisy Estimate (83) Plus Noisy Estimate (89) Equals Slush?
 - 2. Synthetic Cohorts
 - 3. Nice CPS-SCF Comparison of Income Flows

I. Briefly (con't)

- D. Bottom Lines: “Rich” vs. “Poor” Makes a Difference (“Elders” vs. “Others” Too?)
- E. New Evidence Coming: Luxembourg Wealth Study, e.g., Italy vs. USA
(<http://www.lisproject.org/lws.htm>)