

# CEAR Workshop

## *Income Dynamics, Income Risk, and Income Risk-Sharing*

Friday and Saturday, September 27-28, 2013

### General Information

Income risk is arguably the largest source of risk faced by individuals. Because income risk can be understood as a possible gap between realized income and expected income – and the latter is typically not observed – income risk must be inferred from other sources. Under the view that income changes are frequently unpredictable, income dynamics are often used by economists to estimate income volatility, an observable proxy for income risk. The question of how income risk is managed and shared is critical for a few reasons. Since income risk is largely idiosyncratic, complete markets would allow them to be traded and diversified away. As a result, the absence of perfect risk sharing indicates a barrier to the creation of such markets, such as adverse selection or moral hazard. Without such formal markets, informal risk-sharing mechanisms such as intra-household risk-sharing may be important.

### Organizers

Stephen Shore (Georgia State University) is the organizer of this workshop.

Contact Stephen Shore at [sshore@gsu.edu](mailto:sshore@gsu.edu) with questions about the workshop's program, and Mark Schneider at [mschneider@gsu.edu](mailto:mschneider@gsu.edu) with questions regarding participation and logistics.

### Registration

Registration for the workshop is on a first-come first-served basis, and seating is limited. To express your interest in attending fill out the online registration form at - [cear.gsu.edu/income-dynamics-income-risk-and-income-risk-sharing](http://cear.gsu.edu/income-dynamics-income-risk-and-income-risk-sharing) - and a team member from CEAR will confirm registration usually within 24 hours.

### Sponsors and Funding

The conference is funded by the Center for the Economic Analysis of Risk (CEAR), located in the J. Mack Robinson College of Business at Georgia State University. Go to [cear.gsu.edu](http://cear.gsu.edu) for more information.

### Dates & Times

Friday, 9/27 – 12:00pm to 6:15 pm; reception/dinner to follow for presenters and selected guests. Lunch/refreshments will be provided.

Saturday, 9/28 – 9:00am to 3:00pm. Continental Breakfast, lunch, and refreshments will be provided.

Please list any special dietary needs while registering for the Contact Mark Schneider at [cear@gsu.edu](mailto:cear@gsu.edu) for special dietary needs.

### Location

The workshop will be held in the CEAR Seminar Room, which is located on the 11<sup>th</sup> floor of the J. Mack Robinson College of Business at Georgia State University. Here is a map link to [CEAR](#); the physical address is 35 Broad Street, **11th Floor**, Atlanta, GA 30303. Please use the street level entrance on Broad Street.

## **Directions**

### *MARTA Subway:*

35 Broad Street is located 1 block northwest of the Five Points Marta Rail Station in Downtown Atlanta; the station is located on both the MARTA Red or Gold lines, one-way Rail Ride cost \$2.50. Tickets can be easily purchased from vending machines at all MARTA stations. This is by far the easiest method, and is on a direct line to Atlanta International Airport. Here is a map of the [MARTA rail system](#).

### *Driving:*

From Interstate 75/85 (the connector) **going NORTH** take exit 248B for Edgewood Ave toward Auburn Ave / J W Dobbs Ave. Turn left at Edgewood Ave SE and proceed 0.7 miles. Turn right at Marietta St. NW. The next intersection is Broad St. and where our facility is located. There is no street parking available nearby; however, there are pay lots and garages nearby. Costs range from \$5 to \$10 depending on the lot/garage used.

From Interstate 75/85 (the connector) **going SOUTH** take exit 248D for J W Dobbs Ave toward Jesse Hill Dr. Slight left at Jesse Hill Jr. Dr. NE. Turn right at Edgewood Ave SE and proceed 0.6 miles. Turn right at Marietta St. NW. The next intersection is Broad St. and where our facility is located. There is no street parking available nearby; however, there are pay lots and garages nearby. Costs range from \$5 to \$10 depending on the lot/garage used.

### **Parking** *(one option)*

There is covered, pay for parking at Lanier Public Parking lot located at 150 Carnegie Way; Atlanta, GA 30303. The lot is about 5 blocks away from the workshop site at 35 Broad Street. Google Maps walking instructions from the parking lot to 35 Broad Street here - <http://goo.gl/maps/cBvjX>

### **Lodging**

CEAR recommends lodging at The Ellis Hotel, which is walking distance to workshop. See walking directions from the above Parking Section. The Ellis's information: 176 Peachtree Street Northwest, Atlanta, GA 30303. (404) 523-5155 [ellishotel.com](http://ellishotel.com).

### **Confirmed Attendees**

Chris Carroll (Johns Hopkins University)  
Pierre-André Chiappori (Columbia University)  
Fatih Guvenen (University of Minnesota)  
Sarolta Laczó (Barcelona Graduate School of Economics)

Maurizio Mazzocco (UCLA)  
Robert Pollak (Washington University)  
John Sabelhaus (Federal Reserve Board)

**PROGRAM - Friday, September 27, 2013**

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12:00 - 12:45 p.m. Lunch

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12:45 - 1:00 p.m. Welcome and administrative announcements

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1:00 - 2:00 p.m. *"What Do Data on Millions of U.S. Workers Say About Labor Income Risk?"*  
Fatih Guvenen (Minnesota)

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2:00 - 3:00 p.m. *"The Distribution of Wealth and the Marginal Propensity to Consume"*  
Chris Carroll (Johns Hopkins University)

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3:00 - 3:20 p.m. Break

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3:20 - 4:20 p.m. *"What Causes Mortgage Default? Evidence from HAMP PRA"*  
Stephen Shore (Georgia State University)

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4:20 - 5:20 p.m. *"The Effect of Self-Reported Transitory Income Shocks on Household Spending"*  
John Sabelhaus (Federal Reserve Board)

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5:20 - 5:40 p.m. Break

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5:40 - 6:15 p.m. Panel Discussion

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6:45 p.m. - ? Dinner for presenters and selected attendees

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**PROGRAM - Saturday, September 28, 2013**

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9:00 - 9:30 a.m. Continental Breakfast

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9:30 - 10:30 a.m. *Matching to Share Risk: the Case of Public Goods*  
P.A. Chiappori (Columbia)

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10:30 - 11:30 a.m. *Cohort Size and the Marriage Market: Explaining Nearly a Century of Changes in U.S. Marriage Rates* - Maurizio Mazzocco (UCLA)

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11:30 - 12:30 p.m. Lunch

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12:30 - 1:30 p.m. *"Efficient Risk Sharing with Limited Commitment and Storage (with Árpád Ábrahám)"*- Sarolta Laczó (Barcelona Graduate School of Economics)

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1:30 - 3:00 p.m. Panel Discussion