



Income Dynamics, Income Risk, and Income Risk-Sharing

Friday and Saturday, September 26-27, 2014

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 about the program of the workshop, and Mark Schneider at cear@gsu.edu with questions about participation and logistics.

Sponsors and Funding

The conference is funded by the Center for the Economic Analysis of Risk (CEAR, cear.gsu.edu), located in the J. Mack Robinson College of Business at Georgia State University.

Dates & Times

Friday, 9/26 – 10:30am to 6:20 pm; reception/dinner to follow. Lunch/refreshments will be provided.
Saturday, 9/27 – 8:00am to 3:00pm. Continental Breakfast, lunch, and refreshments will be provided.

Contact us at cear@gsu.edu for special dietary needs.

Location

The workshop will be held in the CEAR Seminar Room, which is located on the 11th 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 the workshop. We will you're your hotel room for you if you provide arrival and departure dates. Their information: 176 Peachtree Street Northwest, Atlanta, GA 30303. (404) 523-5155 ellishotel.com.

Confirmed Attendees

Philippe d'Astous (Georgia State)
Irene Botosaru (Simon Fraser)
Chris Carroll (Johns Hopkins and CFPB)
Pierre-André Chiappori (Columbia University)
Eleanor Dillon (Arizona State)
Olga Gorbachev (Delaware)
Barry Hirsch (Georgia State)
Kai Liu (Bergen)
Maurizio Mazzocco (UCLA)
Luigi Pistaferri (Stanford)
John Sabelhaus (Federal Reserve Board)
Sam Schulhofer-Wohl (Minneapolis Fed)
Stephen Shore (Georgia State)

Program

Friday, September 26, 2014

10:30 – 11:00 p.m. - Welcome and administrative announcements

Session 1 - 11:00 - 1:00 p.m.

"Trouble in the Tails? Earnings Non-Response and Response Bias across the Distribution"

Barry Hirsch (GSU)

SCF Update

John Sabelhaus (FRB)

1:00 - 2:00 p.m. - Lunch

Session 2 - 2:00 - 4:00 p.m.

"A comprehensive look at the credit card debt puzzle"

Olga Gorbachev (Delaware)

"The Effect of Minimum Payments on Credit Card Delinquency"

Philippe d'Astous and Stephen Shore (GSU)

Session 3 - 4:20 - 6:20 p.m.

"Consumption Smoothing or Gambling? Reinterpreting Tests of Complete Consumption Insurance"

Sam Schulhofer-Wohl (Minneapolis Fed)

Title TBA

P.A. Chiappori (Columbia)

Dinner - 6:45 - 9:45pm

Location TBD

Saturday, September 27, 2014

8:00 – 8:30am - Continental Breakfast

Session 4 - 8:30 – 10:30 a.m.

"Earnings Dynamics and Firm-level Shocks"

Luigi Pistaferri (Stanford)

"Risk and Return Tradeoffs in Lifetime Earnings"

Eleanor Dillon (Arizona State)

Session 5 – 10:50 – 11:50 a.m.

"Explaining the Decline of the U.S. Saving Rate: the Role of Health Expenditure"

Maurizio Mazzocco (UCLA)

Lunch Session - 11:50 a.m. – 12:50 p.m.

"Measuring Income Dynamics at High Frequency"

Christopher Carroll (Johns Hopkins and CFPB)

Session 6 – 1:00 - 3:00 p.m.

"Income Dynamics with Heteroskedastic Permanent Shocks"

Irene Botosaru (Simon Fraser)

"Education, Income Dynamics, and Life-Cycle Inequality"

Kai Liu (Bergen)