

Carolyn St Aubyn

Department of Economics, Mathematics and Statistics, Birkbeck, University of London
Malet St, WC1E 7HX, London
+44 (0) 7971792440 ◊ c.molesworthstaubyn@bbk.ac.uk

EDUCATION

| | | |
|---|--|------|
| Birkbeck, University of London Thesis Title: Puzzles in Household Finance and Consumption: Theory and Evidence from the PSID Supervisors: Ron Smith, Arina Nikandrova | PhD in Economics | 2021 |
| Birkbeck, University of London, (PT) | MSc Economics (with distinction) | 2013 |
| Birkbeck, University of London, (PT) | Graduate Diploma Economics (with distinction) | 2011 |

TEACHING EXPERIENCE

| | | |
|--|-------------------------------------|----------------|
| University College London Econometrics for Energy and the Environment, Lecturer and module lead | MSc | Spring 2022 |
| Birkbeck, University of London Maths for Microeconomics | Graduate Diploma | 2019 |
| Maths for Economics | Graduate Diploma and BSc | 2020 - present |
| Microeconomics | Graduate Diploma and BSc | 2016 - present |
| Macroeconomics | Graduate Diploma and BSc | 2017 |
| Personal Tutor | Graduate Diploma, Distance Learners | 2020 - present |

RESEARCH

Research Interests

My focus is on applied microeconometrics in the area of household finance and consumption.

Working Papers

Time Variation in Lifecycle Consumption and Income, with Yunus Aksoy and Henrique Basso, Banco de Espana, Working Papers series

Other Papers and Work in Progress

- Consumer Choices with Wealth Preferences and Separation of Consumption and Payment
- Habits and Income Differences: Estimates from Micro Data
- A Micro Data Set with Assets, Debt and Housing and a Bayesian Imputation of Non-Durable Consumption, 1968 – 2014

AWARDS AND SCHOLARSHIPS

2015 BEI Research Studentship (fees only)

2016 ESRC Studentship 2016 – 2018

2016 BEI Research Grant, for work with Professor Yunus Aksoy

CONFERENCES AND WORKSHOPS

Royal Holloway, University of London, PhD Workshop on Labour and Family Economics, 14 May, 2019, poster.

Luxembourg Workshop of Household Finance and Consumption, Banque Central du Luxembourg 22/21 June, 2019, presentation.

Birkbeck Centre for Applied Macroeconomics Workshop, London, 14 June 2019, poster

TECHNICAL SKILLS

Stata, L^AT_EX, MatLab, Mathematica

REFeree EXPERIENCE

Scottish Journal of Political Economy

EMPLOYMENT SUMMARY

2010 - present Windfarm: Responsibility for developing models to estimate expected power output, assessing viability of grid connection offers, raising finance, structuring and negotiating collaborative connection agreements, developing planning strategy and, subsequently, securing planning permission. Working with consultants and primary system designer to secure grid connection offers (in highly constrained environment).

2003 – 2010 Career break to raise three children. More recently, combined with economics studies.

1989 – 2003 Worked in investor relations with specialisation in IPOs and Privatisations. In addition to UK work, significant experience in Europe, especially Austria. Member of the team advising HM Government on the development of the Retail Offer marketing of the Government privatisation programme.

Co-Holdings of Liquid Assets and Credit Card Debt. Simultaneously holding liquid assets and credit card debt is known as the credit card debt, or co-holding, puzzle. Around 45% of households in the US Panel Study of Income Dynamics (2010-2014) fall into this category. I revisit the puzzle from the perspective of the degree of co-holding. I use the ratio of liquid assets to credit card debt, by household, to show that the pattern of co-holding is much more dispersed than is identified in the literature. Around 40% of co-holders have liquid assets values between 2 and 200 times credit card debt. This borrowing is difficult to explain with existing theories. Yet the borrowing is not trivial, on average, for these households, it is around 90% of monthly expenditures.

A Model with Temporal Separation of Consumption and Money. Certain costly patterns of consumer choice are rational if consumers face liquidity constraints; delaying payment of bills such that charges are incurred, co-holding credit card debt and cash, and spending more when paying with a credit card are a few examples. Some research, however, finds liquidity constraints insufficient for explaining the scale of these choices observed in the data and in experiments. I develop a theoretical model to address these choices when liquidity constraints do not bind. The model assumes that consumers have preferences for money (used interchangeably with wealth) and thus dislike making payments. The pain of payment introduces a friction between consuming and paying that does not involve liquidity constraints and makes deferring payment attractive. Given this, the model describes how the separation in time of consumption and payment affects utility and demand.

Time Variation in Lifecycle Consumption and Income, with Yunus Aksoy and Henrique Basso. We document systematic and significant time variation in US lifecycle nondurable consumption profiles. Consumption profiles have consistently become flatter: intergenerational differences in consumption across age groups have decreased over time. Pooling data across different periods to identify lifecycle profiles and failing to account for unobserved heterogeneity masks relevant time variations and may artificially generate hump-shaped consumption age profiles. The main driver behind lifecycle consumption variations are lifecycle income changes, which display similar flattening. Employing a lifecycle model we show changes in income are sufficient to match the movements in consumption.

Habits and Income Differences: Estimates from Micro Data This paper considers internal and external habits in consumption. A model is developed which includes a habit variable to estimate the importance of higher income group consumption on spending decisions of lower income groups. Although the negative sign is not expected there is precedent for it. We consider explanations related to definitions of durable and non-durable goods in consumption.

A Micro Data Set with Assets, Debt and Housing and a Bayesian Imputation of Non-Durable Consumption, 1968 – 2014. I construct a data set from the Panel Study of Income Dynamics, focused on asset wealth, especially housing and debt. I capitalise on the enhanced expenditure questions introduced in 1999. Following the approach of Attanasio and Pistaferri (2014), I impute non durable consumption expenditures backwards from 1999 to 1968. This approach gives plausible results but under-predicts variance by construction. This is important because variance is a measure of consumption inequality. To address this I take a Bayesian imputation approach.

SUPERVISORS AND REFERENCES

Professor Ron Smith, Professor of Applied Economics
Department of Economics, Mathematics and Statistics
Birkbeck, University of London
Email: r.smith@bbk.ac.uk

Dr Arina Nikandrova, Lecturer in Economics
Department of Economics
City, University of London
a.nikandrova@city.ac.uk

Professor Yunus Aksoy
Department of Economics, Mathematics and Statistics
Economics, Mathematics and Statistics
Birkbeck, University of London
y.aksoy@bbk.ac.uk