Carolyn St Aubyn
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EMPLOYMENT

University of Reading (Fixed term)   2022 - 2023
Lecturer in Economics

EDUCATION

Birkbeck, University of London   PhD in Economics   2022
Thesis Title: Puzzles in Household Finance
and Consumption: Theory and Evidence from the PSID
Supervisors: Ron Smith, Arina Nikandrova

Birkbeck, University of London, (PT)   MSc Economics (with distinction)   2013

Birkbeck, University of London, (PT)   Graduate Diploma Economics   2011
                                             (with distinction)

TEACHING EXPERIENCE

University of Reading

Microeconomics, module convener	Year 2 Undergraduate	2022/23
Behavioural Economics	Year 3 Undergraduate	2022/23

University College London

Econometrics for Energy and the Environment, Lecturer	MSc	2021/22

Birkbeck, University of London	Lecturer and Teaching Assistant	
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 microeconomics in the area of household finance and consumption. I am currently investigating the impact of new consumer credit technologies on household spending, savings and debt.

Working Papers

- Consumer Choices with Wealth Preferences and Separation of Consumption and Payment, BCAM Working Paper Series, No. 2201

- Time Variation in Lifecycle Consumption and Income, with Yunus Aksoy and Henrique Basso, Cesifo Working Paper Series, No. 8162

Other Papers and Work in Progress

- 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

2022	53rd Annual Conference of the Money, Macro and Finance Society
2022	Workshop on Consumption and Saving over the Lifecycle, PerCent, CBS, and the University of Iceland
2022	Birkbeck PhD Alumni conference
2019	Royal Holloway, University of London, PhD Workshop on Labour and Family Economics
2019	7th Annual Workshop of Household Finance and Consumption, Banque Central du Luxembourg
2019	Birkbeck Centre for Applied Macroeconomics Workshop

TECHNICAL SKILLS

Stata, LaTeX, MatLab, R

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.

Thesis title: Puzzles in Household Finance and Consumption in the US Panel Study of Income Dynamics; Chapter abstracts

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
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Email: r.smith@bbk.ac.uk

Dr Arina Nikandrova, Lecturer in Economics
Department of Economics
City, University of London
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Professor Paolo Agnolucci,
Professor of Energy and Environmental Economics
Bartlett School Env, Energy and Resource
University College London
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Birkbeck, University of London
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