Expected inheritance, labor supply and (dis)saving

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Discussion by
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Summary

- **Aim:**
  - Subjective expectations of receiving an inheritance \( \rightarrow \) labour choices/saving attitude around retirement

What I liked

- Decent collaboration between theoretical model and empirical model.

- It is challenging to subjective measure of receiving an inheritance.
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  - Person B: 99% probability of getting 2,000 dollar inheritance, all else equal.
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  - Person B: 99% probability of getting 2,000 dollar inheritance, all else equal.

- Model predicts person A saves more.
Comments

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- Possible argument: Select min age is 55. Undervalue expected future income after age 65 / beyond life expectancy.
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  - Those whose expectation is low (e.g. < 10%) at $t - 1$ & high (e.g. > 90%) at time $t$. 
Comments

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▶ Macro financial (stock) market performance & individual’s (dis)saving behavior.
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  - Macro financial (stock) market performance & individual’s (dis)saving behavior.
  - Study shows unexpected inheritance $\rightarrow$ stock market participation $\uparrow$.
  - Expected inheritance?
  - Descriptive statistics, those with higher expected inheritance do not strongly prefer stock holding.
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- The form of inheritance, financial wealth or real estate wealth, could also affect respondent’s current financial wealth, real estate wealth, and others.
  - Careful argument why select the proxy for (dis)saving.
Comments

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- Add more control variables from HRS.