UNIVERSITY OF LUGANO (USI)
Swiss Finance Institute (SFI) and Economics Department (IdEP)

HOUSEHOLD FINANCE

[Professor Lorenz Kueng]
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Preliminary and subject to change

PhD Course in Finance and Economics, 3 ECTS

Location: USI Main Building, Room 251

Monday, April 20, 13:30-16:30
Tuesday, April 21, 09:00-12:00 and 13:30 - 16:30
Wednesday, April 22, 09:00-12:00 and 13:30 - 16:30
Thursday, April 23, 09:00-12:00 and 13:30 - 16:30
Friday, April 24, 09:00-12:00

Course Syllabus

COURSE DESCRIPTION

This PhD course presents research topics in the rapidly growing area of Household Finance (aka Consumer Finance or Personal Finance). Household Finance is at the intersection of finance and economics.

We will read a number of papers in different research areas within household finance. The topics are chosen to give students a taste of the types of research done and of the methods used at the frontier, rather than to provide a comprehensive overview of household finance research. The papers on the reading list include both seminal and current research papers in the area. As a result, the list is highly incomplete. Please email me suggestions for additional papers if you feel I have omitted an important topic – I'm always eager to learn from students.

After introducing each topic, we will have students present and discuss one or two important papers on that topic in detail for about 30 minutes. On the reading list below, these papers are marked by a star (*). All students are expected to have read these papers closely. As you read the papers, one thing that I want you to focus on is what possible open research questions on the topic may be. What questions did the papers leave unanswered? What might be other analyses that you could do?

After the 30 minute presentation of the paper by the student, we will have a general discussion about the paper and open questions on this research topic. The idea is for this to be a forum for students to generate their own research ideas.

To accommodate participants from institutions other than USI Lugano, the course starts on Monday afternoon and ends on Friday at noon.

COURSE REQUIREMENTS

1. Research Paper

The main goal of a PhD program should be to get you started on doing research as soon as possible. Therefore, the key requirement for the course is the preparation of a serious research paper. The paper should seek to be a genuine contribution to knowledge, not merely a summary of the existing literature (although this should be part of it). Such contributions to knowledge can take many forms – a self-contained empirical study, a substantive comment on an important paper, or a theoretical analysis (although I would prefer empirics to theory). They can also vary greatly in length – from perhaps 15 pages to 25 pages or more. The paper can be about any topic in finance and economics and it does not have to be about material covered in class.

You may, after consulting with me, submit a paper that also satisfies another course requirement, such as an econometrics paper or a thesis chapter. However, I expect papers for multiple purposes to reflect a proportionately greater amount of effort. If the paper satisfies another course requirement, you must also obtain permission from the instructor in charge of that requirement.

Timetable for the Research Paper

I. Proposal

The semester starts on Monday, February 17. You must run your topic by me by **Friday, March 20** at the latest, one month before the start of the course. If you cannot meet with me in person (say because you are from another university), please email me to schedule a Skype appointment. You should email me a written proposal of 1 to 3 pages at least two days before our meeting.

II. Presentations

Registered students will give 20-minute presentations of their research ideas and progress to date at the end of the block course on **Friday morning, April 24** (and any auditors who would like to speak if time permits). If you want to use slides, you are responsible for making sure that your slide show is working.

III. Due Date

The final paper is due on **Sunday, May 31**, one week before the SFI Research Days in Gerzensee.

2. One Conference-Style Discussion

Each participant will present and discuss one of the required papers for about 30-40 minutes, followed by a 10-15 minute discussion in class. This presentation should cover the following topics:

- What is the research question?
- Which open questions in the literature is the paper addressing?
- What is the data and/or research design/methodology?
- What are the main findings, and how do they answer the question discussed?

- What are potential concerns with the results?
- What could be done to improve the analysis?
- How would I have approached the same question?

As you will learn during your doctoral studies (e.g., at the SFI Research Days), conference discussions are an important element of the scientific process. They provide critical feedback to authors before they send their paper for publication. Hence, it is important to start practicing this skill during your doctoral studies.

3. Required Readings

Required readings are marked by a star (*) in the reading list. The class will consist of a mixture of lecture and discussion. Students are expected to read the papers carefully and critically before class, and to come to class prepared to discuss them.

COURSE GRADE

Grading will be done based on the quality of the student's research paper (50%), conference-style discussion (30%), and class participation (20%).

READINGS

[To be added]

A preliminary list of topics includes

- Household current liabilities, credit card debt, payday loans
- Household durables, auto loans
- Housing tenure choice, mortgage debt
- Human capital investment, student loans
- Consumer inventory management
- Saving for retirement, public pensions
- Household insurance and risk management
- Financial literacy, financial advice, FinTech