Peer Review

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Jake Eriksson, Henry Brown, and Chris Aceti implement a lifecycle household model to examine if delaying entry into the workforce to pursue a college degree is more beneficial than entering the workforce immediately after graduating from high school. Their paper clearly states their research question and variables, and their maximized value function and constraints are prominently displayed. Although the variables are listed and the value functions are clearly stated and easy to follow, the format of the document is visually unappealing. It is apparent that much of their model was copied from the “Snapshot of four benchmark models” document, and minimal adjustments were made to tailor the lifecycle household model to their research question. Rather than screenshotting an image of the model and inserting it into a Word document, the group should use LaTeX or the equation function in Microsoft Word to compile documents. Furthermore, the authors fail to utilize a professional or academic tone of voice when writing, and it is evident that the group did not review the grammar and wording throughout their paper.

The aforementioned model that the authors utilize is easily recognizable. However, it is unclear how the implementation of this model will aid in the group’s research. Although the maximization function includes a utility function, the utility function is not defined. Furthermore, the model they present does not include a mechanism to compare the value functions of individuals who pursued a college education and those who did not. The application of this model is unintelligible without these modifications. In this paper, the group did not account for the opportunity cost of continuing education from ages 18 to 22 and the differences in wages between additionally educated and non-educated workers.

There were no apparent adjustments made to the original model to analyze delaying entry into the workforce. It is possible that the authors may use the lifecycle household model to compare two maximized value functions: one function created with the average wages of highly educated people and another function created with the average wages of individuals without higher education. The inclusion of different wages in their model and the comparison of two different populations is pertinent, and it is not mentioned in the paper.

The lifecycle household model may be useful for comparing value functions of populations with discrepancies in wages. However, it is highly suggested that this group reviews the implementation of the lifecycle household model and modifies it to specifically examine how delaying entry into the workforce influences individuals’ utility. In the model portion of the paper, the group should explicitly state that they are comparing the value functions of individuals who delayed entry into the workforce and those who immediately entered the workforce and explain the method they are using to compare the values.