Housing Wealth and Online Consumer Behavior Evidence from Xiongan New Area in China

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We provide new evidence on the causal effects of housing wealth on consumer behavior. To overcome the empirical challenge of non-random housing wealth changes, we exploit the unexpected announcement of China's newest national-level new area—Xiong'an New Area—on April 1, 2017 as an exogenous shock to housing prices. We use a proprietary dataset of individual-level online consumption from the largest e-commerce company in China to measure various aspects of consumer behavior, such as consumption patterns, purchase hesitation, tolerance to unsatisfied products, and shirking (proxied by making online purchases during work hours). We explore the underlying mechanisms through which the housing shock affects consumer behavior; in particular, we attempt to disentangle the realizable and unrealizable housing wealth effects.