1 MPC

Gelman (2016) Uses app data. Transitory MPC out of tax refunds. MPC circa 15% over 3 months. Strong relationship between cash on hand and MPC.

Koustas (2018) Uses rideshare data. Finds responsiveness to income of 30%, much reduced by smoothing via secondary job.

Gelman, Gorodnichenko, Kariv, Koustas, Shapiro, Silverman, and Tadelis (2016) Estimates permanent MPC from gasoline prices. Estimates MPC of 1.

Gelman, Kariv, Shapiro, Silverman, and Tadelis (2015) Used temporary shut down of govt. to identify spending response. 50% reduction!! But lots of this is thought to be accessing short term liquidity. Not paying mortgage particularly relevant...

Baker (2015) Find MPC to semi-permanent shocks of 40%

Ganong and Noel (2017) Looks at consumption behavior around unemployment benefits (strong response to predictable benefits)

Fuster, Kaplan, and Zafar (2018) Asks people in NY Fed Survey of Consumer Expectations what they would do with $500. 8% for a gain of $500, 30% for a loss of $500.

2 BPP Methodology

Blundell, Pistaferri, and Preston (2008)
http://www.ucl.ac.uk/ uctp39a/BBP%20AER.pdf
This is the original BPP paper. The online appendix is also useful.
https://assets.aeaweb.org/assets/production/articles-attachments/aer/data/dec08/20050545_app.pdf

This set of slides is useful for understanding BPP and other methods in a similar vein:
https://ocw.mit.edu/courses/economics/14-772-development-economics-macroeconomics-spring-2013/lecture-videos-and-slides/MIT14_772S13_lecture8.pdf

Kaplan and Violante (2010)
https://www.aeaweb.org/articles?id=10.1257/mac.2.4.53
Paper by Kaplan and Violante examining how accurate the BPP methodology is in the standard incomplete market model. Also useful for understanding how BPP works and the assumptions made.

Violante, Kaplan, and Weidner (2014)
http://www.nber.org/papers/w20073

Wealty-hand-to-mouth paper uses the BPP methodology in section 7 to compare MPC for agents of different hand-to-mouth status.

Attanasio and Weber (1995)
http://www.nber.org/papers/w4795
Earlier paper about whether or not people have insurance against shocks to their groups' income.

How Much Consumption Insurance in the U.S
http://www.artsrn.ualberta.ca/econweb/hryshko/Papers/HM_2017_06_19.pdf
Paper on BPP methodology using PSID data - criticizing the assumption of permanent shocks in non-sample households. Finds significant AR(1) characteristics that bias results of permanent shock down a lot.

Heathcote, Perri, and Violante (2010)
http://www.sciencedirect.com/science/article/pii/S1094202509000659
Focus on income dynamics - compares BPP method with others used. In particular shows the 'differences' method of BPP gives very different (and implausibly large) estimates of permanent shock variance.

Carroll and Samwick (1997)
http://www.econ2.jhu.edu/people/ccarroll/nature.pdf
Decomposing income into permanent and transitory shocks

Commault (2017) https://www.dropbox.com/s/3m0wsuygu21mq3e/Commault%20-%20JMP.pdf?dl=0
Paper trying to explain the difference between literature and BPP

Moffitt and Gottschalk (2012)
hrefurlhttp://www.econ2.jhu.edu/people/Moffitt/mg2_0795.pdf
Moffitt early paper decompsing income - trends in covariance structure

Working (1960)
http://www.e-m-h.org/Work60.pdf
Working's 1960 paper on time aggregation

Meghir and Pistaferri (2004)
https://pdfs.semanticscholar.org/feea/84af8be128de04f4279eb3a77084c8e8e9bc.pdf
Maghir and Pistaferri "Income variance Dynamics and Heterogeneity" breaks down income process

Nielsen and Vissing-jorgensen (2004)
http://faculty.haas.berkeley.edu/vissing/nielsen_vissing2006.pdf
The Impact of Labor Income Risk on Educational Choices: Estimates and Implied Risk

Aversion. Paper from Denmark that estimates permanent and transitory risk variance using the Danish data

Heathcote, Perri, and Violante (2010)
http://www.nber.org/papers/w15483.pdf
Heathcote and Perri and Violante overview of inequality in the US, describing income decomposition

noa (????)
https://web.stanford.edu/ pista/impute.pdf
Blundell and Pistaferri using CEX to impute consumption from food data in PSID

Arellano, Blundell, and Bonhomme (2017)
http://www.ucl.ac.uk/ uctp39a/ABB_Ecta_May_2017.pdf
New paper by Arellano, Bludell and Bonhomme using quantile regressions to estimate persistent income process. Not clear how to generalize to deal with time aggregation problem

Storesletten, Telmer, and Yaron (2004)
http://www.nber.org/papers/w7995.pdf
Storesletten: consumption and risk sharing over the lifecycle. A little like an earlier version of BPP - looks at consumption inequality over the lifecycle in PSID data

Vidangos (2013)
https://www.brookings.edu/wp-content/uploads/2016/07/2013a_panousi.pdf
Rising Inequality: Transitory or Persistent? New Evidence from a Panel of U.S. Tax Returns. Great data

Moffitt and Zhang (2018)
Moffit's survey paper on income volatility in the PSID data

3 MPC Heterogeneity and Relation to Macro

Auclert (2015)
https://web.stanford.edu/ aauclert/mp_redistribution.pdf
Lays down theory as to how the distribution of the MPC changes the transmission mechanism of monetary policy. In particular the covariance of MPC with unhedged interest rate exposure is on of the 'sufficient statistics' needed. It is possible we can measure this.

Kaplan, Moll, and Violante (2016)
https://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp1899.en.pdf
Full two-sector Heterogenous New Keynesian Model (HANK) that shows the monetary

policy transmission mechanism is driven primarily by heterogeneity in the MPC.

Carroll, Slacalek, Tokuoka, and White (2016)
http://www.econ2.jhu.edu/people/ccarroll/papers/cstwMPC/
Calibrates a standard incomplete markets model to US wealth data using heterogenous discount rates. Shows you can get a large mean MPC even with high levels of aggregate wealth.

Wong (2016)
https://www.dropbox.com/s/nwu6d2d00cmzh99/Arlene_Wong_Aging_Latest.pdf?dl=0
Recent successful job market paper about heterogenous responses to monetary policy, particularly involving different MPC around house purchasing.

4 Measuring MPC

Jappelli and Pistaferri (2010)
http://www.nber.org/papers/w15739
Provides a summary of attempts to measure MPC using different methods.

Broda and Parker (2014)
http://www.nber.org/papers/w20122
Effect of 2008 stimulus payments using Nielson Consumer data.

Fagereng, Holm, and Natvik (2016)
https://www.ssb.no/en/forskning/discussion-papers/_attachment/286054?_ts=158af859c98
Andreas' paper on MPC out of lottery payments according to balance sheet characteristics.

Parker, Souleles, Johnson, and McClelland (2013)
http://www.nber.org/papers/w16684.pdf Parker et al on Stimulus checks of 2008.

Agarwal and Qian (2014)
http://ushakrisna.com/AER_Sing.pdf Singapore growth dividend checks, finds 90% MPC over 10 months.

Lupton, Sheiner, and Coronado (2005)
https://www.federalreserve.gov/pubs/FEDS/2005/200532/200532pap.pdf The Household Spending Response to the 2003 Tax Cut: Evidence from Survey Data.

5 Imputing Consumption Data

Browning and Leth-Petersen (2003)
http://onlinelibrary.wiley.com/doi/10.1111/1468-0297.00135/abstract
Paper about the imputation method used on Danish data.

Fagereng and Halvorsen (2015)
https://www.ssb.no/en/forskning/discussion-papers/_attachment/249164?_ts=15185bf7d90
Andreas' paper about his imputation method

What Can We Learn About Household Consumption From Information on Income and Wealth
https://sites.google.com/site/magnemogstad/Measuring_Consumption_final.pdf?attredirects=0&d=
Magne's paper with different method of computing consumption from Norwegian data

6 Consumption Smoothing

Campbell and Deaton (1989)
https://www.jstor.org/stable/2297552?seq=1#page_scan_tab_contents
Paper points out that given the persistence in aggregate income growth, aggregate consumption should be less smooth than income. At a micro level this is not the case. Not sure how relevant this is.

Campbell and Mankiw (1989)
http://www.nber.org/chapters/c10965.pdf
Points out the 'excess sensitivity' to expected income changes. Very basic two-agent model where one is hand-to-mouth and the other is fully rational.

Carroll (2009)
http://www.nber.org/papers/w8233
Calculates the MPC out of permanent shocks in the standard incomplete markets model to be between 0.85 and 0.95 (compare with 0.67 from BPP)

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