Ganong and Noel 2019 Introduction Outline

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- Background context
    - State the question: How does consumer spending evolve during an unemployment spell?
    - Describe previous research and why the topic matters
- Empirical Section
    - Outline methods
        - Data source and data construction: JMPCI data
        - Describe why data source represents generalized population
    - Results
        - Spending drops sharply at UI benefit exhaustion
        - Spending drops sharply on necessities
        - High frequency changes in income cause the sharp changes in spending
            - Florida: benefits expire after 4 months and replace smaller % of income
            - New Jersey: first UI check and last paycheck in same month
        - Job-finding spikes at UI benefit exhaustion
- Theoretical Section
    - Outline Methods
        - Identify purpose of testing models
        - State the theories are being tested: rational models of forward-looking agents and behavioral models with present-biased agents
        - State limitations of the models
    - Results
        - Rational model: liquidity constraints predict agents cut spending gradually
        - Behavioral model: sufficiently low β explains behavior
- Implications of Results
    - Extending time duration of benefits improves welfare more than benefit increases of equivalent cost