



- October 08, 2009, 5 pm
- HS II (lecture room II)
Institute for Advanced Studies
Stumpergasse 56, A – 1060 Wien
<http://economics.ihs.ac.at/seminars>

JOINT VIENNA MACROECONOMICS SEMINAR

Walter H. Fisher,
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“Search, Retirement, and Pension Reform”

Abstract

In this paper we develop a simple OLG model of search to study the implications of selected pension reforms. Consumer-workers live two periods, engage in intensive labor market search, and make an extensive participation/retirement decision in the second period of life. Agents' lifecycle search and retirement decisions are, in turn, influenced by the incentives incorporated in a parameterized PAYG pension system. Among the pension reforms considered are an increase in actuarial fairness - as in Gruber and Wise - and a harmonization of the system. In our model harmonization is accomplished by reducing flat pensions in exchange for benefit-linked retirement income. We also model the implications of no longer including periods of unemployment in the pension assessment base.

with Christian Keuschnigg (University of St. Gallen).