

University of Groningen

Life cycle behavior under uncertainty

van Ooijen, Raun

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version

Publisher's PDF, also known as Version of record

Publication date:

2016

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

van Ooijen, R. (2016). *Life cycle behavior under uncertainty: Essays on savings, mortgages and health*. University of Groningen, SOM research school.

Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.

PROPOSITIONS

belonging to the PhD thesis

Life cycle behavior under uncertainty
Essays on savings, mortgages and health

by Raun van Ooijen

1. Policymakers have the tendency to postpone difficult reforms. In doing so, they make the future more uncertain inducing people to save more than optimal (Chapter 2).
2. Financial literacy — the ability to use knowledge and skills to manage financial resources effectively — seems to be a blessing as well as a curse. It helps individuals in entering the stock market and planning for retirement, but it also encourages households to choose mortgages with risky characteristics that have put a lot of households in distress (Chapter 3).
3. Homeowners who consult advisers have more risky mortgages, regardless of their level of financial sophistication. Nevertheless, the impact of advisers on the riskiness of the mortgage loan is less pronounced for the more literate consumers. This highlights the importance of independent financial advice (Chapter 3).
4. The saving behavior of the elderly is difficult to rationalize within the life cycle theory of saving (Chapter 4).
5. If the life cycle model does not succeed in providing a successful description of economic behavior, we can at least use it as a prescription (of how we would like people to behave).
6. When asking people to rate their health, the interpretation of this question varies between people, over time and by labor market status. With careful measurement and analysis, health deteriorates at a faster rate in old age and is more persistent than can be inferred from subjective health measures alone (Chapter 5).
7. Mental ill-health combined with unhealthy lifestyle (smoking or being overweight) is a major contributor to long-term sickness among self-employed workers (with income insurance). It is in the interest of insurance companies to provide incentives for a healthier lifestyle (Chapter 6).
8. Many of these results seem to accord well [...] with intuition (at least mine) (Angus Deaton, Saving and liquidity constraints, 1991).
9. The future is uncertain and the end is always near (Jim Morrison, Roadhouse Blues).