

Accepted Manuscript

Habit persistence and the long-run labor supply

Clemens C. Struck

PII: S0165-1765(14)00204-3

DOI: <http://dx.doi.org/10.1016/j.econlet.2014.05.027>

Reference: ECOLET 6360

To appear in: *Economics Letters*

Received date: 24 March 2014

Revised date: 22 May 2014

Accepted date: 26 May 2014



Please cite this article as: Struck, C.C., Habit persistence and the long-run labor supply. *Economics Letters* (2014), <http://dx.doi.org/10.1016/j.econlet.2014.05.027>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

1. Standard macroeconomic models predict that a permanent increase in income causes a decline in the number of hours worked
2. I provide time series, cross country and micro evidence that there is no relationship between income and labor hours worked
3. I show that the intertemporal elasticity of substitution (IES) is the key driving parameter in a standard neoclassical model
4. I show that both internal and external habit persistence can resolve this puzzle independent of the IES

Download English Version:

<https://daneshyari.com/en/article/5059183>

Download Persian Version:

<https://daneshyari.com/article/5059183>

[Daneshyari.com](https://daneshyari.com)