

<u>Information on Postgraduate Research Scholarship - Ref: VCS-FBUS-05-22</u>			
Faculty:	Business	School:	Accounting, Finance and Economics
Lead Supervisor:	Dr Alberto Botta		
Project Title:	The role of financial incomes in the determination of consumption and macroeconomic dynamics: an Agent Based Stock-Flow Consistent Model		
Project Description:	<p>The leading role of finance in modern financialised economies has implied, among many other aspects, increasingly more participation of households to financial markets. On the one hand, modern financial practices (i.e., securitization) have enabled (low-middle income) households to take a higher amount of loans as a ratio to their disposable income. On the other hand, this phenomenon has been mirrored by rising accumulation of financial assets by the wealthier households, often mediated by professional investors, as well as rising importance of financial incomes as a share of total households' disposable income.</p> <p>The increasing importance of finance in the determination of households' behaviour has been put at the centre of a wide variety of empirical and theoretical analysis. A body of research focuses on the implications of the increase in household debt on household consumption. Other studies consider households as holders of financial wealth and estimate different marginal propensity to consume out of different forms of wealth, i.e., real estate, fix-income bonds and equities. Finally, Stock-Flow-Consistent (SFC) models account for financial returns as additional source of households' income (beyond labour income) to analyse how the financial and real side of the economy interact in the determination of macroeconomic dynamics.</p> <p>The present PhD project first aims at conducting an extensive econometric study of the effects of different forms of financial incomes on the determination of household consumption decisions and, aggregate consumption. This research aims at moving attention away from financial wealth to financial income as determinant of households' consumption decisions. It will test econometrically whether different forms of financial incomes are associated with different marginal propensities to consume both with respect to one another and to labour income. This econometric analysis will focus on advanced economies, namely the USA and European countries, for which detailed micro data about households' incomes and consumption decisions are available based on the panel data of household income and consumption surveys (e.g. the Panel Study of Income Dynamics in the USA).</p> <p>The second part of the PhD project aims at incorporating the findings of the econometric analysis in an Agent-Based (AB) SFC model, where heterogeneous households and multiple types of incomes are simultaneously analysed. On the one hand, this novel AB-SFC approach will capture behavioural heterogeneity at micro level (i.e., households'</p>		

	<p>specific marginal propensity to consume as jointly given by the composition of households' income itself and by households' ranking in the economy-wide income and wealth distribution). On the other hand, it will describe aggregate macro dynamics emerging from the composition of heterogeneous micro behaviours.</p> <p>By relying on such novel econometrically grounded AB-SFC, this research project will eventually simulate the macroeconomic effects of changes in the composition of households' income and of economic policy shocks, in particular quantitative easing and monetary restrictions. Its aim is to provide a more realistic description of the real-economy effects of monetary policy accounting for the relative importance of financial incomes versus labour income in the determination of individual (at household level) as well as aggregate consumption decisions.</p>
Duration:	3 years, Full-Time Study or 6 years, Part-Time Study
<p>Bursary available (subject to satisfactory performance): Year 1: £16,062 (FT) or pro-rata (PT) Year 2: In line with UKRI rate Year 3: In line with UKRI rate</p> <p>In addition, the successful candidate will receive a contribution to tuition fees equivalent to the university's home-rate, currently £4,596 (FT) or pro-rata (PT), for the duration of their scholarship. International applicants will need to pay the remainder tuition fee for the duration of their scholarship.</p> <p>This fee is subject to an annual increase.</p>	
Person Specification of Essential (E) or Desirable (D) requirements:	
Criteria:	E or D
Education and Training:	
<ul style="list-style-type: none"> 1st Class or 2nd class, First Division (Upper Second Class) honours degree or a taught master's degree with a minimum average of 60% in all areas of assessment (UK or UK equivalent) in a relevant area to the proposed research project 	E
<ul style="list-style-type: none"> For those whose first language is not English and/or if from a country where English is not the majority spoken language (as recognised by the UKBA), a language proficiency score of at least IELTS 6.5 (in all elements of the test) or an equivalent UK VISA and Immigration secure English Language Test is required, if your programme falls within the faculty of Engineering and Science a language proficiency score of at least IELTS 6.5 overall with a minimum of 6.0 in all elements of the test or an equivalent UK VISA and Immigration secure English Language Test is required. Unless the degree above was taught in English and obtained in a majority English speaking country, e.g. UK, USA, Australia, New Zealand, etc, as recognised by the UKBA. 	E
Experience & Skills:	
<ul style="list-style-type: none"> Previous experience of undertaking research (e.g. undergraduate or taught master's dissertation) 	E
Personal Attributes:	
<ul style="list-style-type: none"> Understands the fundamental differences between a taught degree and a research degree in terms of approach and personal discipline/motivation 	E

<ul style="list-style-type: none"> • Able to, under guidance, complete independent work successfully 	E
Other Requirements:	
<ul style="list-style-type: none"> • This scholarship may require Academic Technology Approval Scheme approval for the successful candidate if from outside of the EU/EEA 	E
<ul style="list-style-type: none"> • The scholarship must commence before January 2023 	E
Closing date for applications:	midnight UTC on 16th September 2022
For further information contact:	Dr Alberto Botta, A.Botta@greenwich.ac.uk
<p>Making an application: Please read this information before making an application. Information on the application process is available at: https://www.gre.ac.uk/research/study/apply/application-process. Applications need to be made online via this link. No other form of application will be considered.</p> <p>All applications must include the following information. Applications not containing these documents will not be considered.</p> <ul style="list-style-type: none"> • Scholarship Reference Number (VCS-FBUS-05-22)– included in the personal statement section together with your personal statement as to why you are applying • a CV including 2 referees * • academic qualification certificates/transcripts and IELTS/English Language certificate if you are an international applicant or if English is not your first language or you are from a country where English is not the majority spoken language as defined by the UK Border Agency * <p><i>*upload to the qualification section of the application form. Attachments must be a PDF format.</i></p> <p>Before submitting your application, you are encouraged to liaise with the Lead Supervisor on the details above.</p>	