

Aging and Preferences

Preferences are typically considered to be stable fundamentals in models of decision making. In particular, in economics, preferences are often parameterized, in the form of risk aversion, impatience, or social preferences. Much of the literature is still working with representative agent models, however. One of the reasons is the difficulty in obtaining reliable measures. As consequence, little is known about the distribution of these preferences and how they change over the life cycle. This presentation will present results of recent research about the measurement of preferences, about the age pattern of these preferences, about the potential mechanisms underlying the empirical patterns, as well as the broader implications of these findings for the economic and social dynamics in the future.