

* This Stata do file contains the Food and Grocery Expenditure panel
 * regression models presented in G.F.Barrett and M.Brzozowski (2012)
 * "Food Expenditure and Involuntary Retirement: Resolving the
 * Retirement-Consumption Puzzle," AJAE.

* The data source for the analysis is the Household, Income and Labour
 * Dynamics in Australia (HILDA) Survey. The data can be accessed under
 * license from MIAESR, see <http://melbourneinstitute.com/hilda/>
 * The analysis in the article is based on HILDA Survey Release 7.0

* The following table provides the concordance between the variable
 * names as used in this do file and the original HILDA data variable
 * labels

#delimit;

*Variable	Definition	HILDA Survey Data Labels
lnnety	ln weekly disposable income	ahifdip-ahifdin, to ghifdip-ghifdin
xpgroc	ln weekly grocery expenditure	axpgroc-expgroc, fhxygroc-ghxygroc
xpfood	ln weekly food expenditure	axpfood-expfood
retire for ysincer	retirement status indicator forced retirement indicator years since retired	ahges-ghges crtfrpr, grtfrpr, retire constructed from year, retire sequence
forysr	for x ysincer	constructed from for, year, retire sequence
retchurn	indicator of 2+ transitions (=1 if re-enter workforce after retire)	retire sequence
hgage	age of reference person	ahgage-ghgage
dhhstate*	indicator for state of residence	ahhstate-ghhstate
sepwiddiv	marital status indicator (=1 if separated, widowed or divorced)	ahgms,cmrcms-gmrcms
spwk	indicator =1 if partner works	ahges-fhges for partner
hhealth	indicator of health conditions (=1 if moderate or severe health conditions)	ahelth-ghelth
hdisab	indicator of disability	ahglth-ghglth
shealth	indicator for partner health	ahelthwk-ghelthwk (partner)
sdisab	indicator for partner disability	ahglth-ghglth (partner)
year	survey year	wave identifier
yr0607	indicator =1 if year=2006 or 2007	constructed from year
xwaveid	individual identifier	xwaveid
atrisk	indicator of at risk of retirement (=1 if not retired in 2001 and age>=45)	ahgage, retire sequence

NOTE HILDA convention is to use 1st letter of variable name to denote wave
 (a is wave 1-2001, g is wave 7-2007);

```
capture clear;
set more off;
set matsize 8500;
set mem 800m;
```

```
log using "c:\HILDA\ajae\results\ExpendRegs.log", t replace;
display "$S_DATE $S_TIME";
```

```

use "f:\HILDA\ajae\data\ExpPanell17";

xtset xwaveid year;
iis xwaveid;
tis year;

* Restrict the analysis to the "at risk" sample;
keep if atrisk==1;

*=====
  Disposable Income Panel Regressions
=====;

* Table 3 column (2)- FE, RE and Hausman test in sequence;

xtreg lnnety retire hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab, fe;
estimates store fixed;
xtreg lnnety retire hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab, re;
hausman fixed .;

* Table 3 column (3)- FE, RE and Hausman test in sequence;

xtreg lnnety retire for hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab, fe;
estimates store fixed;
xtreg lnnety retire for hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab, re;
hausman fixed .;

*=====
  Grocery Expenditure Panel Regressions
=====;

* Table 3 model (4)- FE, RE and Hausman test in sequence;

xtreg xpgroc retire yr0607 hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab, fe;
estimates store fixed;
xtreg xpgroc retire yr0607 hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab, re;
hausman fixed .;

* Table 3 model (5)- FE, RE and Hausman test in sequence;

xtreg xpgroc retire for yr0607 hgage dhhstate* sepwiddiv spwk hhealth
  hdisab shealth sdisab, fe;
estimates store fixed;
xtreg xpgroc retire for yr0607 hgage dhhstate* sepwiddiv spwk hhealth
  hdisab shealth sdisab, re;
hausman fixed .;

* Table 4 model (2)- FE, RE and Hausman test in sequence;

xtreg xpgroc retire for hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab if year<2006, fe;
estimates store fixed;

```

```
xtreg xpgroc retire for hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab if year<2006, re;
hausman fixed .;
```

* Table 4 model (3) - drop observations once make 2nd transitions;

```
xtreg xpgroc retire for yr0607 hgage dhhstate* sepwiddiv spwk hhealth
  hdisab shealth sdisab if retchurn==0, fe;
estimates store fixed;
```

```
xtreg xpgroc retire for yr0607 hgage dhhstate* sepwiddiv spwk hhealth
  hdisab shealth sdisab if retchurn==0, re;
hausman fixed .;
```

* Table 4 model (5)- omit all health and disability controls;

```
xtreg xpgroc retire for yr0607 hgage dhhstate* sepwiddiv spwk, fe;
estimates store fixed;
xtreg xpgroc retire for yr0607 hgage dhhstate* sepwiddiv spwk, re;
hausman fixed .;
```

* Table 4 model (7) - include control for years since retired - ysincer;

```
xtreg xpgroc retire for ysincer yr0607 hgage dhhstate* sepwiddiv spwk
  hhealth hdisab shealth sdisab, fe;
estimates store fixed;
xtreg xpgroc retire for ysincer yr0607 hgage dhhstate* sepwiddiv spwk
  hhealth hdisab shealth sdisab, re;
hausman fixed .;
```

* Appendix Table 2 model (2) - include control for years since retired and the interaction with forced;

```
xtreg xpgroc retire for ysincer forysr yr0607 hgage dhhstate* sepwiddiv
  spwk hhealth hdisab shealth sdisab, fe;
estimates store fixed;
xtreg xpgroc retire for ysincer forysr yr0607 hgage dhhstate* sepwiddiv
  spwk hhealth hdisab shealth sdisab, re;
hausman fixed .;
```

```
*=====
  Food Expenditure Panel Regressions
  =====;
```

* Table 3 column (6) - do FE, RE and Hausman test;

```
xtreg xpfood retire hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab,fe;
estimates store fixed;
xtreg xpfood retire hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab,re;
hausman fixed .;
```

* Table 3 column (7) - do FE, RE and Hausman test;

```
xtreg xpfood retire for hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab,fe;
estimates store fixed;
```

```
xtreg xpfood retire for hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab, re;
hausman fixed .;
```

* Table 4 column (4) - drop observations who make further transitions after 1st spell of retirement;

```
xtreg xpfood retire for hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab if retchurn==0, fe;
estimates store fixed;
xtreg xpfood retire for hgage dhhstate* sepwiddiv spwk hhealth hdisab
  shealth sdisab if retchurn==0, re;
hausman fixed .;
```

* Table 4 column (6) - omit all health and disability controls;

```
xtreg xpfood retire for hgage dhhstate* sepwiddiv spwk, fe;
estimates store fixed;
xtreg xpfood retire for hgage dhhstate* sepwiddiv spwk, re;
hausman fixed .;
```

* Table 4 model (8) - include control for years since retired - ysincer;

```
xtreg xpfood retire for ysincer hgage dhhstate* sepwiddiv spwk hhealth
  hdisab shealth sdisab, fe;
estimates store fixed;
xtreg xpfood retire for ysincer hgage dhhstate* sepwiddiv spwk hhealth
  hdisab shealth sdisab, re;
hausman fixed .;
```

* Appendix Table 2 model (3) - include control for years since retired and the interaction with forced;

```
xtreg xpfood retire for ysincer forysr hgage dhhstate* sepwiddiv spwk
  hhealth hdisab shealth sdisab, fe;
estimates store fixed;
xtreg xpfood retire for ysincer forysr hgage dhhstate* sepwiddiv spwk
  hhealth hdisab shealth sdisab, re;
hausman fixed .;
```

```
stop;
```