



OBSERVATOIRE DE L'ÉPARGNE EUROPÉENNE

2018 CALL FOR TENDERS

CONTRACTS FOR CONDUCTING RESEARCH IN THE FIELD OF SAVINGS IN EUROPE

The Observatoire de l'Épargne Européenne is currently seeking out contracts for the realization of European research projects on the following themes that were selected by its Scientific Committee:

Theme 1: Optimal lifecycle saving for retirement

Theme 2: Saving behaviors of low-income households in Europe

Funding offered by the OEE is generally between 10k and 50k €. Research is expected to be completed within one year. The proposal should not exceed 10 pages and should contain a description of the scientific project and a list of deliverables.

You will find tendering specifications below.

Submissions of proposals by a team combining academic researchers and professional specialists are particularly welcome.

Tenders and requests for additional information may be submitted by e-mail to the following addresses:

E-mail: Christian Gollier
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Please note that the submission deadline is **July 16, 2018**.

THEME 1: OPTIMAL LIFECYCLE SAVING FOR RETIREMENT

Many states across Europe face a difficult demographic and financial environment in relation to the sustainability of their public pension schemes. Most people are now aware that they should expect a relatively large reduction in their standard of living at retirement age if they do not accumulate enough savings. It is thus crucial that individuals adjust their consumption levels to increase their savings in order to cope with diminishing pension levels whatever the prevailing pension schemes, pay as you go or funded systems. The right allocation of the savings portfolio and the adaptation of the product bought are obviously key determinant of the enhanced pension.

The research we seek to finance can cover one or several aspects of the timing, means and execution of individual savings for future pensions in the European context. How and when do individuals make their decision about savings is for example a critical variable in the decision process. Behavioural aspects tied to information, education, wealth level and other aspects seem to play an important role that should be examined in details, both empirically and theoretically. How much they dedicate savings to various particular goals is also useful to analyse, given their (lack of) knowledge about the financial mechanisms associated to long-term investment.

Moreover, when facing the diversity and complexity of products, it should be useful to explore the type of rules or information that are instrumental in governing household saving decisions. In particular, what is the weight of transaction costs in the decision process? Do households rely on advisors and are advisors aligned in their own motives to the welfare of their clients?

Solutions for a better management of the lifecycle pension wealth accumulation are thus welcome. What type of advice should be offered, and how? Are new information technologies offering new ways to bring information and advice to the many individuals wanting to invest without having the sufficient amount of savings to be cared for by the classical market participants?

THEME 2: SAVING BEHAVIORS OF LOW-INCOME HOUSEHOLDS IN EUROPE

The objective of this theme of the call is to contribute for a better understanding of the saving behaviour of low income households. Until recently, because of their relatively lower creditworthiness, credit institutions did not devote much energy to quantify the consumption and saving decision process of this category of customers. But the emergence of new technologies of information and low-cost credit distribution systems is changing the landscape of the market. The structure of the credit and saving products that should be offered to low-income households should be made dependent of a better understanding of these behaviours, together with the efficient regulation of this segment of the market.

Various more specific questions could be addressed in this framework. For example, is there a demonstrated link between level of income, savings and prevention of over indebtedness? What are the factors or barriers that may prevent low income households from saving (e.g. lack of appropriate saving products, tax incentives targeting mainly wealthy savers, borrowing vs saving culture,...). Or, can we find examples of good practices that have successfully overcome these barriers (e.g.: micro-savings programmes implemented by social services, tontine).

It could also be interesting to examine how the difficulty to finance consumption through a short-term credit line when hit by a temporary adverse shock on income (credit constraints) affects the low-income household intertemporal welfare, and how they manage this income risk.

We expect researchers to use quantitative data on the level - and type – of household saving according to their income, in several EU countries (e.g.: UK, BE, DE, IT, PL, DK).