

Host: Ferdinand Rauch

The Geography of Life: Evidence from Copenhagen*

Abstract

While prominent literatures have studied the effect of age and life events, such as marriage and children on labour supply, earnings and saving behaviour, we know little about how they affect location choices. At the same time housing is one of the largest expenditure items for most households and house prices and residential amenities vary substantially across locations. This paper uses newly constructed individual level panel data for the population of Copenhagen covering nearly 40 years to provide evidence how location choices evolve with age and life events. We document several new stylised facts on how workplace and residence location, commuting, and residential space consumption change with age and life events. We combine the reduced form evidence with a quantitative urban model to determine what factors are driving the strikingly different location choices of different demographic groups. We use model counterfactuals to assess the effect of population ageing, changes in cohabitation rates and fertility for the geography of cities.

*joint work with Ismir Mulalic, Caterina Soto-Vieira, and Daniel M. Sturm