**Speaker:** Dr. Alexander Dmitriev (University of Tasmania)

**Title:** Lifestyle Habits and International Transmission of Business Cycles

**Abstract:** This paper improves upon the existing international business cycle literature in accounting for cross-country dynamics of consumption, output, investment and hours worked. The key ingredient of our model is the preference ordering that implies internal habit formation over the composite of consumption and leisure. These lifestyle habits i) reduce wealth effect on labor supply, which helps explain comovement of employment and output; ii) reduce substitutability between consumption and leisure, which helps explain comovement of consumption; iii) discourage changes in consumption growth, which helps explain comovement of investment.

**Venue:** School of Economics Boardroom

**Time:** 3:00pm to 4:30pm

**Date:** Friday November 15, 2013