Report on **Master Thesis**

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	**Jan Srna**
Advisor:	**Barbara Pertold-Gebicka**
Title of the thesis:	**The impact of grandchildren on retirement timing: evidence from SHARE data**

***OVERALL ASSESSMENT** (provided in English, Czech, or Slovak):*

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

Short summary

The thesis by Jn Srna is devoted to uncovering the relationship between presence of grandchildren and elderly people's retirement decision. Jan uses well-suited SHARE data to empirically probe this relationship and he applied instrumental variable techiques to deal with endogeneity issues. He shows that having a grandchild significantly increases a probability that an individual is retired.

Contribution

There exist several published studies examining the relationship between having grandchildren nad being retired (or being active in the labor market), but to my best knowledge they are all based on a single country. Jan's contribution lies in providing a consistent evidence for a large set of countries. He could have gone even further and checked whether the relationship is stable over time.

Methods

The SHARE dataset seems to be ideal for studying the question at hand. To make work with data easier, Jan decided to use the EasySHARE data, which is a research-ready extract from the whole database. The disadvantge of EasySHARE is that not all variables are present there.
To find out whether there is any effect of grandchildren on retirement decision, Jan constructs a dummy variable equal to one if one is retired and zero if one is still active in the labor market. This variable is regressed either the total number of grandchildren or on a dummy equal to one if a person has at least one grandchild. The latter is Jan's preferred specification.
It is acknowledged in the theis that presence of grandchildren might be endogenous. Jan mentions several reasons for this, but actually forgets about the most important one – a potential reverse causality caused by the fact that young adults decide to have a child when their parents (i.e. future grandparents) retire, because they look for grandparentl help. Endogeneity caused by the factors mentioned in the thesis (e.g .education or age of the elderly) can be easily dealt with by adding relevant control variables to the model, what Jan is doing. However, it is much more difficult to deal with reverse causality. Inspired by earlier literature, Jan wanted to use the gender of the first child as an instrument for presence of grandchildren. However, this was not feasible, because EasySHARE data do not have information about gender of respondents' children. Consequently, Jan had to come up with another instrumental variable. His idea is to use proximity of children, which, unfortunately, is not the best instrumental variable because of issues with the exclusion restriction. I regret not having more time to help Jan look for a better IV.

Literature

The literature review is long and covers a wide spectrum of sources. Jan not only mentions areticles directly devoted to the relationship between grandchildren and retirement, but also papers discussing other determinants of retirement, both theoretically and empirically. It is visible that Jan tried to get a big picture.

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On the other hand, the search for relevant literature was not careful, as some relevant sources are omitted in the thesis. For example:

Rupert, P., & Zanella, G. (2018). Grandchildren and their grandparents' labor supply. *Journal of Public Economics*, *159*, 89-103.

Frimmel, W., Halla, M., Schmidpeter, B., & Winter-Ebmer, R. (2020). Grandmothers' labor supply. *Journal of Human Resources*, 0419-10144R1.

Manuscript form

The manuscript is written in a somehow chaotic way. While the introduction is good, the following parts are confusing. I gave some comments regarding the literature review above. Unfortunately similar issues are encountered in other parts of the text. Paragraphs are often very long, and the narrative is jumping from one idea/thought to another and then back making the reader easily loose track. The thesis woud largely benefit from english proofreading

Overall evaluation and suggested questions for the discussion during the defense

The presented thesis is written in somehow chaotic way (although the manuscript has improved significantly since its earlier versions!) and there are some methodological issues related to the choice of the instrumental variable. Nevertheless, I believe that the thesis by Jan Srna fulfils the requirements for a master thesis at IES, Faculty of Social Sciences, Charles University and I recommend it for the defense. Given all the rised issues, I suggest a grade D.

The results of the Urkund analysis do / do not indicate significant text similarity with other available sources

SUMMARY OF POINTS AWARDED *(for details, see below):*

CATEGORY	POINTS
Contribution (max. 30 points)	20
Methods (max. 30 points)	17
Literature (max. 20 points)	16
Manuscript Form (max. 20 points)	10
TOTAL POINTS (max. 100 points)	**63**
GRADE (A – B – C – D – E – F)	**D**

NAME OF THE REFEREE: *Barbara Pertold-Gebicka*

DATE OF EVALUATION: **8.6.2021**

Digitálně podepsáno (8.6.2021)
Barbara Pertold-Gebicka

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Referee Signature

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CONTRIBUTION: _The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis._

METHODS: _The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed._

LITERATURE REVIEW: _The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way._

MANUSCRIPT FORM: _The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography._

Overall grading:

TOTAL	GRADE
91 – 100	**A**
81 - 90	**B**
71 - 80	**C**
61 – 70	**D**
51 – 60	**E**
0 – 50	**F**