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Book shows relevance of research on daily life



KIASUNOMICS: STORIES OF SINGAPOREAN ECONOMIC BEHAVIOURS
By Sumit Agarwal, Ang Swee Hoon and Sing Tien Foo
World Scientific Publishing/267 pages/
$28 for paperback/$58 for hardback
Available at major bookstores and in e-book format

WHAT'S THE BOOK ABOUT?

Kiasunomics examines how personal decisions have economic implications on daily living.

Written in a conversational style, the book explains the influences and consequences of the decisions made by all of us, using simple economic logic and based on the authors' research.

The authors hope to use this research to demonstrate how seemingly innocuous decisions or events have economic bearing.

Kiasunomics brings to light the relevance of research, often seen as esoteric, on our daily life and decision-making. It also has a bearing on policy implications, particularly issues on GST, utility consumption and retirement.

SEVEN KEY TAKEAWAYS

1. How does being born in a particular year affect your education, career and spending behaviour? According to the Chinese zodiac, the Year of the Dragon is especially auspicious for births, marriages and businesses. However, the authors found that Dragon babies do less well academically and career-wise because of cohort-size effect. They also spend more on conspicuous items.

2. Showering takes up about 30 per cent of an average family's monthly water consumption. How can we can use less water during showers and thus conserve water and be environmentally friendly?

We can install a smart device that provides feedback on how much water has been used and set usage goals (for example, check out http://www.straitstimes.com/singapore/10000-new-hdb-homes-to-get-smart-shower-systems-from-next-year).

3. Are air-conditioners your primary mode of ventilation when the air gets hazy or dusty? People living in housing estates near construction sites tend to continue using their air-conditioners even after these projects are completed.

Hence, construction periods should not be too long, otherwise people will cultivate the habit of using air-conditioning frequently. People also need to be mindful that they should revert to their former ventilation strategy.

4. Are you prone to bankruptcy? The authors found that men are four times more likely than women to file for personal bankruptcy. This gender difference is more apparent among Chinese Singaporeans than Malays or Indians. They also found a relationship between bankruptcy and traffic offenders.

5. Should you buy properties located within 1km of a primary school? The authors found that houses situated between 1km and 2km from a primary school enjoy a larger premium than those within 1km from the school.

6. How can women increase their chances of climbing up the corporate ladder? The authors tracked people on directorial boards and their golfing behaviour, and found that golfers have a higher probability of holding a directorship. However, when comparing the odds ratio by gender, playing golf helps women more than men.

7. How can senior citizens adjust their consumption on retirement? Without an income and with the same basic needs, how can they spend less while the number of food items they buy remains the same?

The authors' study showed that the seniors substitute higher-priced items with cheaper alternatives. They also found that the seniors shift their mode of payment from credit cards to an increasing reliance on debit cards. But this shift implies that they are using up their money immediately, instead of letting it earn interest.

Lorna Tan

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