

ABSTRACT

This dissertation is empirical research on how age structure affects economic flows across ages. Economic flows consist of transfers and reallocations through assets, which can be used to finance consumption. Intergenerational transfers are estimated using the National Transfer Flow Account methodology. The NT Flow Account is an accounting system for measuring transfers and reallocations through assets at the aggregate level in a manner consistent with National Income and Product Accounts. The main contribution of this dissertation is on the development of the methodology used to construct the NT Flow Account. The NT Flow Account for Thailand is constructed, which could be used as an example for other countries.

In addition to economic flows across ages, reallocations through assets are major forms of consumption support. People save in order to accumulate assets in different forms, such as capital, credit and property. This dissertation contributes to developing the methodology used to measure how individuals rely on different forms of assets to support consumption throughout their lifecycle.

Saving rates are simulated in order to measure how change in age structure influences saving in the economy. There is controversial and important empirical issue on how much change in age structure can account for a significant change in saving rates. Several empirical studies find that saving rates change substantially as population age structure changes. Some studies find that change in population age structure has modest effects on

aggregate saving rates. This dissertation replicates the methodology used by Deaton and Paxson (2000) to simulate saving rates in Thailand. Deaton and Paxson method does not explicitly include intergenerational transfers. This dissertation contributes to taking into account intergenerational transfers, using the NT Flow Account methodology, to simulate saving rates. Simulated saving rates from Deaton and Paxson model are then compared with results using Mason and Lee (2006) model. The main finding, based on both methods, shows that change in age structure influences saving rates in Thailand before 1985. However, after 1985 change in saving rates are not due to change in age structure but some other secular trend.