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Conference Sponsors:

NYU Stern
Credit Suisse First Boston

The C.V. Starr Center for Applied Economics
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Welcome to SED 2002

Dear Colleagues:

Welcome to the Society for Economic Dynamics 13\textsuperscript{th} Annual Meeting. We are honored to be hosting this year’s conference at New York University’s Stern School of Business.

We hope you enjoy the fantastic program that we have put together. Narayana Kocherlakota, Fabrizio Perri and the program committee did a super job of putting together a scientific program of top quality research on a wide range of topics.

We also have an unprecedented social program planned for you at some special New York City venues. Our conference dinner will be held at the historic Tavern on the Green Restaurant located in Central Park. With sponsorship provided by Credit Suisse First Boston, we are also hosting a cocktail reception at the world-renowned Solomon R. Guggenheim Museum, where we will be viewing a brand new exhibit. And, as per SED conference tradition, The Contractions will provide musical entertainment.

June is a perfect time to visit New York City. We hope that you will be able to take advantage of some of what the city has to offer. \textit{Time Out New York Magazine, NYC & Company Official NYC Guide} and \textit{Tips and Suggestions for Exploring New York City}, all of which are included in your tote bag, will show you the incredible variety of activities and happenings in New York City.

We hope that you enjoy the conference and your stay in New York City!

Sincerely,

Thomas Cooley  
SED President
I. Useful Information

Conference Staff

A conference staff member will be at the registration booth at all times to answer questions. Additional staff members are identifiable by name badges.

Tote Bag Contents

1. This useful program guide 😊.
2. Your name badge (your security pass to enter all events).
3. A name badge for your guest (if applicable).
4. Tickets to the events for you and your guest, if applicable (Located behind your namebadge in the plastic cover).
5. Time Out New York magazine for the current week. This magazine lists current events and happenings. It also lists many restaurants, museums, dance clubs, and other New York City venues.
6. NYC & Company Official NYC Guide. This guide includes a subway and bus map (pg. 36-37) and a “pull-out” street map of New York City that conveniently locates museums, site-seeing attractions, ticket offices and travel and tourist services. The guide also provides descriptions that highlight each attraction.
7. Tips and Suggestions for Exploring New York City which includes listings of restaurants, bars, museums and tips for getting around the city.
8. SED 2002 Crossword puzzle
9. SED 2002 pen

Name Badge

Your name badge is your security pass for entrance into all events, including those held off campus. It is absolutely necessary for all conference participants (as well as guests) to wear their name badges at all times. Also, please note that you may also be asked to present photo ID.

Meals

Breakfast, lunch and an afternoon snack will be provided each day in Patron’s Lobby in Tisch Hall (see map on page 11).

Additional indoor lunch areas:
- Sosnoff Student Lounge (see map on page 8)
- Lounge on Tisch LC level (see map on page 12)

Outdoor lunch areas (see map on page 7):
- Washington Square Park
- Gould Plaza
**Computer/ Internet Access**

A computer lab for your use is open from 8:00am – 7:00pm. It is located in Room UC49 in Tisch Hall (see map on page 11). No log in necessary. If you need assistance, please see the lab technician at the front of the room.

**Message Board**

A message board is located in Patron’s lobby (see map on page 11) where you are welcomed post notes to colleagues.

**Supplies for Presenters**

Presentation supplies can be found in each breakout room. For additional supplies, please see a staff member at the registration booth in Tisch Hall.

**II. Accommodations**

**Sheraton New York Hotel**  
81 Seventh Avenue (at 53rd Street)  
New York, NY 10019  
Telephone (212) 581-1000  
Fax (212) 262-4410  
To change or cancel reservations please call Corporate Planners Unlimited, Inc. at 800-493-2545 x110, or send a fax to 949-493-5006.

**NYU Dormitory, Goddard Hall**  
79 Washington Square East (between West 4th Street and Washington Place, see map on page 7)  
(212) 995-3131

**IV. Directions and Tourist Information**

**Directions:**

To the Sheraton Hotel from NYU Stern School of Business (see map on page 7):

*By Subway*  
Walk west on West 4th Street approximately 4 blocks. Make a left on 6th Avenue. Walk one block south to the subway station. Take the E train uptown 6 stops to the 7th Avenue stop at 53rd Street.

*By Bus*  
Walk west on West 4th Street approximately 4 blocks. Make a left onto 6th Avenue. Walk one block south to West 3rd Street. Take the M6 bus north to 53rd Street and 6th Avenue. Walk one block west to 52nd Street.
To Tavern on the Green from NYU Stern:

_By Chartered Bus_
Chartered Buses will be provided at NYU Stern at West 3rd Street (behind Tisch Hall). Seating is limited so please arrive promptly after the plenary session on Sunday.

_By Subway_
Walk west on West 4th Street approximately 4 blocks. Make a left on 6th Avenue. Walk one block south to the subway station. Take the E train uptown 4 stops to 42nd Street-Port Authority Bus Terminal- at 8th Avenue. Switch to the number 1 uptown train 2 stops to 66th Street. Exit station and walk east two blocks to Central Park West. Walk north one block to 67th Street.

To Tavern on the Green from the Sheraton Hotel:

_By Subway_
Walk one block east to Broadway and two blocks south to 50th Street. Take the number 1 uptown train 2 stops to 66th Street. Exit station and walk east two blocks to Central Park West. Walk north one block to 67th Street.

_By Bus_
Walk West to 8th Avenue. Take the M10 or M20 bus north to Central Park South. Walk north to West 67th Street and Central Park West.

_By Foot_
Walk north on 7th Avenue six blocks to Central Park South. Turn left onto Central Park South. Walk one block West and turn right onto Central Park West. Walk north 8 blocks to West 67th Street (approximately 35 minutes).

_Tourist Information:_

New York City’s Official Visitor Information Center
810 Seventh Avenue, between 52nd & 53rd Streets
(212) 484-1222
Open Monday to Friday 8:30am to 6pm, Saturday and Sunday 9am to 5pm

_V. Disclaimer_

_Disclaimer:_

The Organizing Committee, New York University and Corporate Planners Unlimited, Inc. accept no liability for injuries/losses of whatever nature incurred by participants and/or accompanying persons, nor loss of, or damage to, their luggage and/or personal belongings.
Map of Streets Surrounding NYU Stern

- **G** = Goddard Residence Hall, 79 Washington Square East
- **KMC** = Henry Kaufman Management Center, 44 West 4th Street
- **Tisch** = Tisch Hall, 40 West 4th Street

"Alley" = Schwartz Alley (outdoor sitting and eating area)

**Gould** = Gould Plaza (outdoor sitting and eating area)
Persons who need access to the handicapped bathrooms should contact the guard at the security desk.
Persons who need access to the handicapped bathrooms should contact the guard at the security desk for assistance.
The elevator does not regularly stop on the Upper Concourse. Persons needing elevator access, please see the security guard at the front entrance of the building for assistance.

Henry Kaufman Management Center
The elevator does not regularly stop on the Upper Concourse. Persons needing elevator access, please see the guard at the security desk.
Program Overview

Friday, June 28

8:00am – 9:30am  Registration
8:00am – 9:30am  Breakfast
9:30am – 11:30am Parallel Sessions: Invited Contributions and Contributed Papers
11:30am – 12:45pm Lunch
12:45pm – 2:45pm Parallel Sessions: Invited Contributions and Contributed Papers
2:45pm – 3:15pm Snack
3:15pm – 5:15pm Parallel Sessions: Invited Contributions and Contributed Papers
5:30pm – 6:45pm Plenary Session (Orazio Attanasio, University College-London)
10:00pm – 12:30am The Contractions at the Sheraton Hotel

Saturday, June 29

8:30am – 9:30am  Breakfast
9:30am – 11:30am Parallel Sessions: Invited Contributions and Contributed Papers
11:30am – 12:45pm Lunch
12:45pm – 2:45pm Parallel Sessions: Invited Contributions and Contributed Papers
2:45pm – 3:15pm Snack
3:15pm – 5:15pm Parallel Sessions: Invited Contributions and Contributed Papers
5:30pm – 6:45pm Plenary Session (Lee Ohanian, University of California, Los Angeles)
9:00pm – 11:00pm Reception at Solomon R. Guggenheim Museum

Sunday, June 30

8:30am – 9:30am  Breakfast
9:30am – 11:30am Parallel Sessions: Invited Contributions and Contributed Papers
11:30am – 12:45pm Lunch
12:45pm – 2:45pm Parallel Sessions: Invited Contributions and Contributed Papers
2:45pm – 3:15pm Snack
3:15pm – 5:15pm Parallel Sessions: Invited Contributions and Contributed Papers
5:30pm – 6:45pm Plenary Session (Wolfgang Pesendorfer, Princeton University)
6:45pm – 7:00pm Chartered Busses leaving from West 3rd Street (behind Tisch Hall) to Conference Dinner
7:30pm – 11:00pm Conference Dinner at Tavern on the Green
Social Program

Friday, June 28

*The Contractions at the Sheraton Hotel*
10:00pm – 12:30am

Sheraton New York Hotel and Towers
New York Ballroom B – 3rd Floor
811 7th Avenue at 52nd Street
(212) 841-6450

Drinks are to be paid by each individual. Gratuities at this event are included in the drink price.

Saturday, June 29

*Reception at the Solomon R. Guggenheim Museum sponsored by Credit Suisse First Boston and The CV Starr Center for Applied Economics*
9:00pm – 11:00pm

Solomon R. Guggenheim Museum
Rotunda
1071 Fifth Avenue at 89th Street
(212) 423-3500

Drinks and hors d’oeuvres will be served. Guests will be able to view a new exhibit. *Moving Pictures*, drawn from the Guggenheim Museum's permanent collections, features significant new trends in film, video and photo based art.

Sunday, June 30

*World Cup Title Game*
7:20am - Kilduff Faculty Lounge, Tisch Hall, Room 809

*Conference Dinner at Tavern on the Green*
6:45pm - Chartered Buses are available at NYU Stern at West 3rd Street (behind Tisch Hall). Seating is limited so please arrive promptly after the plenary session.
7:30pm - Cocktail Reception
8:30pm - Dinner

Tavern on the Green
Crystal Pavilion, Rafters Room and Terrace Room
Central Park West at 67th Street
(212) 873-4111
Program Guidelines

- The first presenter listed in each session is the session chair.
- In a 4-paper session, each speaker has 25 minutes to present and an additional 5 minutes for general audience discussion.
- In a 3-paper session, each speaker has 35 minutes to present and an additional 5 minutes for general audience discussion.

Detailed Program

Friday, June 28

8:00am – 9:30am  
Registration  
First Floor – Tisch Hall, Stern School of Business

8:00am – 9:30am  
Breakfast  
Patrons Lobby – Upper Concourse, Tisch Hall

9:30am – 11:30am  
Parallel Sessions: Invited Contributions and Contributed Papers

Capital Flows and Crises – LC-12, Tisch Hall

- Jeanne Olivier, IMF  
Pierre-Olivier Gourinchas, Princeton University  
On the Benefits of Capital Account Liberalization

- Philippe Martin, Federal Reserve Bank of New York  
Helene Rey, Princeton University  
Financial Globalization and Emerging Markets: With or Without Crash

- Sergio Schmukler, World Bank  
Graciela L. Kaminsky, George Washington University  
Short-Run Pain, Long-Run Gain: The Effects of Financial Liberalization

Estimation and Solution of Dynamic Models – UC-65, Tisch Hall

- Noah Williams, Princeton University  
Small Noise Asymptotics for a Stochastic Growth Model

- Mark Huggett, Georgetown University  
When are Comparative Dynamics Monotone?

- Manuel Santos, Arizona State University  
Simulation and Estimation of Dynamic Economic Models
The Stock Market and Macroeconomics – KMC 1-70

- *Dmitriy Stolyarov*, University of Michigan
  John Laitner, University of Michigan
  Technological Change and the Stock Market

- *Rody Manuelli*, University of Wisconsin
  Technological Change, The Labor Market and the Stock Market

- *Andrew B. Abel*, Wharton School, University of Pennsylvania
  Janice Eberly, Kellogg School of Management, Northwestern University
  Q for the Long Run

- *Vincenzo Quadrini*, New York University Stern School of Business
  Urban Jermann, Wharton School, University of Pennsylvania
  Stock Market Boom and Economic Expansion

Heterogeneity in Macroeconomics – UC-63, Tisch Hall

- *Pedro Amaral*, University of Minnesota
  Consequences of Turbulence and Heterogeneity in Ability to Learn For Wage Inequality

- *Jonas Fisher*, Federal Reserve Bank of Chicago
  A Real Explanation for Heterogeneous Investment Dynamics

- *Christian Zimmermann*, CREFE/UQAM and Bank of Canada
  Martin Berka, University of British Columbia
  Financial Intermediation with Heterogeneous Agents: Transitional Dynamics and Policy Responses

- *Paul Gomme*, Federal Reserve Bank of Cleveland
  Measuring the Welfare Costs of Inflation in a Life-Cycle Model

Technological Change and the Firm – UC-61, Tisch Hall

- *Rajshree Agarwal*, University of Illinois at Urbana-Champaign
  April Franco, University of Iowa
  MB Sarkar and Raj Echambadi, University of Central Florida
  Knowledge Transfer Through Inherited Learning:
  Spin-out Generation, Growth and Survival

- *Peter Rousseau*, Vanderbilt University
  Boyan Jovanovic, University of Chicago and New York University
  The Q-Theory of Mergers
- Vivek Ghosal, Georgia Institute of Technology  
  Impact of Uncertainty and Sunk Costs on Firm Survival and Industry Dynamics

- Claudio Irigoyen, University of Chicago  
  Where Do Entrepreneurs Come From?

**Monetary Economics I – KMC 2-60**

- Braz Camargo, University of Pennsylvania  
  Luis Araujo, University of Pennsylvania  
  Monetary Equilibrium with Decentralized Trade and Learning

- Aleksander Berentsen, University of Basel  
  Guillaume Rocheteau, Australian National University  
  Properties of Money: A Mechanism Design Approach

- Gabriele Camera, Purdue University  
  F. Vesely, Purdue University  
  End of Days: Trading Horizons and the Value of Money

- Neil Wallace, Penn State  
  Bruce Champ, Federal Reserve Bank of Cleveland  
  Resolving the National Banking System Note-Issue Paradox

**Optimal Policy – LC-10, Tisch Hall**

- Aysegul Sahin, University of Rochester  
  The Rotten Kid at College: The Incentive Effects of Higher Education Subsidies on Student Achievement

- Thomas Renström, Wallis Institute, University of Rochester and CEPR  
  Parantap Basu, Fordham University  
  Indivisible Labor and Optimal Dynamic Taxation

- Juan Cordoba, Rice University  
  Optimal Taxation with Collateral Constraints

- Diego Restuccia, University of Toronto  
  Andres Erosa, Universitat Autonoma of Barcelona  
  Luisa Fuster, Universitat Pompeu Fabra  
  A General Equilibrium Analysis of Parental Leave Policies

**Dynamic Games – UC-62, Tisch Hall**

- William Sandholm, University of Wisconsin  
  Negative Externalities and Evolutionary Implementation
• Sandroni Alvaro, University of Rochester
Markets Favor Bayesian Estimators over Maximum Likelihood Estimators

• In-Koo Cho, University of Illinois, Urbana-Champaign
Akihiko Matsui, University of Tokyo
Aspiration and Cooperation in Repeated Prisoner's Dilemma

• George Mailath, University of Pennsylvania
Martin Cripps, Olin School of Business, Washington University
Larry Samuelson, University of Wisconsin
Imperfect Monitoring and Impermanent Reputations

**Human Capital – UC-52, Tisch Hall**

• Martin Schindler, University of Pennsylvania
Human Capital and Labor Market Policy

• Holger Sieg, Carnegie Mellon University
Dennis Epple, Carnegie Mellon University
Richard Romano, University of Florida

• Marcelle Chauvet, University of California Riverside
Krishna B. Kumar, University of Southern California
Evaluating the Role of Human Capital in Economic Development

• Alexander Monge, Northwestern University
Human Capital, Organizations and Foreign Direct Investment

11:30am – 12:45pm  **Lunch**
Patrons Lobby – Upper Concourse, Tisch Hall

12:45pm – 2:45pm  **Parallel Sessions: Invited Contributions and Contributed Papers**

**Inflation/Output Dynamics – UC-52, Tisch Hall**

• Tao Zha, Federal Reserve Bank of Atlanta
Christopher A. Sims, Princeton University
Macroeconomic Switching

• Jean Boivin, Columbia University
Marc Giannoni, Federal Reserve Bank of New York
Has Monetary Policy Become Less Powerful?

• Timothy Cogley, Arizona State University
Thomas J. Sargent, Stanford University, Hoover Institution
Second Thoughts on Evolving Inflation Dynamics: Drifting Parameters and Stochastic Volatility

**Political Economy – LC-10, Tisch Hall**
- *Arianna Degan*, University of Pennsylvania  
  A Dynamic Model of Voting Behavior
- *Matthias Doepke*, UCLA  
  Fabrizio Zilibotti, University of Stockholm  
  Who Gains from Child Labor? A Politico-Economic Investigation
- *Hulya Eraslan*, University of Pennsylvania  
  Antonio Merlo, University of Pennsylvania  
  Daniel Diermeier, Northwestern University  
  Bicameralism and Government Formation

**Financial Markets in General Equilibrium – UC-62, Tisch Hall**
- *Felix Kubler*, Stanford University  
  Herakles Polemarchakis, Brown University  
  Simple Markov Equilibria for Overlapping Generation
- *Erzo Luttmer*, University of Minnesota  
  Thomas Mariotti, GREMAQ, Universite de Toulouse 1  
  Efficiency and Equilibrium when Preferences are Time-Inconsistent
- *Pascal Maenhout*, INSEAD  
  Bernard Dumas, INSEAD  
  A Central-Planning Approach to Dynamic Incomplete-Market Equilibrium

**Networks and Organizations – UC-63, Tisch Hall**
- *April Franco*, University of Iowa  
  Andreas Blume, University of Pittsburgh  
  Organizational Learning and Competition
- *Markus Mobius*, Harvard University  
  Trading Favors
- *Thomas Wiseman*, University of Texas at Austin  
  A Folk Theorem for Games with Unknown Payoff Distributions
- *Matthew Mitchell*, University of Iowa and Federal Reserve Bank of Minneapolis  
  Andrzej Skrzypacz, Stanford Graduate School of Business  
  Compatibility and Industry Evolution with Network Externalities
Dynamic Economics of Private Information – KMC 1-70

• Mikhail Golosov, University of Minnesota and Federal Reserve Bank of Minneapolis
  Narayana R. Kocherlakota and Aleh Tsyvinski, University of Minnesota and Federal Reserve Bank of Minneapolis
  Optimal Indirect and Capital Taxation

• Alberto Bisin, New York University
  Ulrich Horst, Princeton University
  Onur Ozgur, New York University
  Rational Expectations Equilibria in Economies with Local Interactions

• Cheng Wang, Iowa State University
  Stephen E. Spear, GSIA, Carnegie Mellon University
  When to Fire a CEO:
  Transience and Ergodicity in Long-term Contracts

• Cyril Monnet, European Central Bank
  Erwan Quintin, Federal Reserve Bank of Dallas
  Optimal Contracts in a Dynamic Costly State Verification Model

Parents and Children – LC-12, Tisch Hall

• Richard Barnett, Southern Methodist University
  Marco Espinosa, International Monetary Fund
  Barriers to Capital, Accumulation and the Inefficiency of Child Labor

• Lutz Hendricks, Arizona State University
  Intended and Accidental Bequests in a Life-Cycle Economy

• Graziella Bertocchi, University of Modena and CEPR
  The Law of Primogeniture and the Transition from Landed Aristocracy to Industrial Democracy

Currency Unions – UC-65, Tisch Hall

• Tommaso Monacelli, Boston College
  Fiscal Policy Rules when Monetary Policy is Constrained

• Fabio Massimo Natalucci, Federal Reserve Board
  Federico Ravenna, University of California
  The Road to Adopting the Euro: Monetary Policy and Exchange Rate Regimes in EU Candidate Countries
Financial Integration in a Monetary Union

Margarida Duarte and Alexander Wolman
Federal Reserve Bank of Richmond
Regional Inflation in a Currency Union: Fiscal Policy versus Fundamentals

Taxation – UC-61, Tisch Hall

Dirk Niepelt, IIES, Stockholm University
Tax Evasion Dynamics

Tatyana Koreshkova, Federal Reserve Bank of Cleveland
Andres Erosa, Universitat Autonoma de Barcelona
Progressive Taxation in a Dynastic Model of Human Capital

Martin Gervais, Queen's University
On the Optimality of Age-Dependent Taxes and the Progressive U.S. Tax System

Wage Determination – KMC 2-60

Fabiano Schivardi, Bank of Italy
Luigi Guiso, Ente Einaudi, Università di Sassari
Luigi Pistaferri, Stanford University
Employment and Wages Adjustments in a Labor Market with Frictions

Dale T. Mortensen, Northwestern University
How Are (Danish) Wages Determined?

Peter Rupert, Federal Reserve Bank of Cleveland
Ed Nosal, Federal Reserve Bank of Cleveland
Life Cycle Job and Wage Changes

Iourii Manovskii, University of Western Ontario
Gueorgui Kambourov, University of Western Ontario
Occupational Mobility and Wage Inequality

2:45pm – 3:15pm  Snack
Patrons Lobby – Upper Concourse, Tisch Hall

3:15pm – 5:15pm  Parallel Sessions: Invited Contributions and Contributed Paper
Retirement – UC-65, Tisch Hall
- David Domeij, Stockholm School of Economics
  Martin Floden, Stockholm School of Economics
  Macroeconomic Adjustment to Demographic Change

- Jean-Olivier Hairault, EUREQUA-Université
  Paris 1 - Panthéon-Sorbonne
  François Langot, CEPREMAP
  On the Distributional Effects of Demographic Changes under Different Pension Schemes

- Eric French, Federal Reserve Bank of Chicago
  The Effects of Health, Wealth, and Wages on Labor Supply and Retirement Behavior

Social Arrangements – UC-52, Tisch Hall
- Dan Silverman, University of Pennsylvania
  Crime and Reputation

- Hanming Fang, Yale University
  The Complexity of Cultural Activities

- Peter Norman, University of Wisconsin
  Government as a Bundle of Public Goods

- Roger Lagunoff, Georgetown University
  Credible Communication in Dynastic Government

Understanding Asset Prices – KMC 2-60
- Josep Pijoan-Mas, University College of London
  Asset Pricing in General Equilibrium Heterogeneous Agents Economies

- Monika Piazzesi, UCLA
  John Cochrane, University of Chicago
  Bond Risk Premia

- Ravi Bansal, Fuqua School of Business, Duke University
  Robert Dittmar and Chris Lundblad, Indiana University
  Consumption, Dividends, and the Cross-Section of Asset Returns

- Adrian Peralta-Alva, University of Minnesota
  Michele Boldrin, University of Minnesota
  What Did (Really) Happen to the US Stock Market?
  Accounting for the Last 40 Years
Empirical Industrial Organization I – LC-10, Tisch Hall
• Andrew Ching, Ohio State University
  A Structural Model of Dynamic Competition in Price and Advertising under Quality Uncertainty, with an Application to a Prescription Drug Market

• Matthew Shum, Johns Hopkins University
  Gregory Crawford, Duke University
  Empirical Modeling of Endogenous Quality Choice:
  The Case of Cable Television

• Amil Petrin, University of Chicago, Graduate School of Business
  Efficiency Gains for Demand Estimates from Utilization Data

International Finance – KMC 1-70
• Cristina Arellano, Duke University
  Dollarization and Borrowing Limits

• Enrique G. Mendoza, University of Maryland
  Asset Prices, Financial Frictions and Emerging-Markets Crises

• Ariel Burstein, Kellogg School of Management, Northwestern University
  Sergio Rebelo and Martin Eichenbaum, Northwestern University
  Why Are Rates of Inflation So Low After Large, Contractionary Devaluations?

• Martin Uribe, University of Pennsylvania
  A Fiscal Theory of Sovereign Risk

International Trade I – UC-61, Tisch Hall
• Kevin Huang, Federal Reserve Bank of Kansas City
  Zheng Liu, Emory University
  Vertical International Trade as a Monetary Transmission Mechanism in an Open Economy

• Ben Eden, University of Haifa
  Sequential International Trade

• Delfim Gomes Neto, Princeton University
  On the Speed of Convergence of Open and Closed Economies

The Macroeconomics of Labor Markets – UC-62, Tisch Hall
• Yongsung Chang, University of Pennsylvania
  Sun-Bin Kim, University of Concordia
From Individual to Aggregate Labor Supply

- Ian King and John Kennes, University of Auckland
- Benoit Julien, University of Miami
  Residual Wage Disparity in Directed Search Equilibrium

- Jean-Pierre Danthine, DEEP-HEC, University of Lausanne
- André Kurmann, University of Virginia
  Completing the New Neoclassical Synthesis:
  The Promise of Fair Wages

Business Cycles I – UC-63, Tisch Hall

- Kenneth Beauchemin, University at Albany, SUNY
  On the Optimal Frequency and Duration of Recessions.

- Fabio Ghironi, Boston College
  Alessandro Rebucci, International Monetary Fund
  Talan Iscan, Dalhousie University
  Current Account Dynamics and Productivity Shocks

- Diego Restuccia, University of Toronto
  José-María Da-Rocha, Universidade de Vigo
  Agricultural Production and Business Cycles in OECD Economies

- Ruilin Zhou, Federal Reserve Bank of Chicago
  Cheng Wang, Iowa State University
  Equilibrium Lending Mechanism and Aggregate Activity

Growth – LC-12, Tisch Hall

- Minyuan Zhao, Stern School of Business, New York University
  Knowledge Spillover and Knowledge Acquisition

- Gadi Barlevy, Northwestern University
  The Timing of Innovation in a Schumpeterian Model of Growth

- Gerald Carlino, Federal Reserve Bank of Philadelphia
  Satyajit Chatterjee and Robert Hunt, Federal Reserve Bank of Philadelphia
  Proximity and the Disclosure of Productive Knowledge

- James Schmitz, Federal Reserve Bank of Minneapolis
  Estimating the Gains From Reducing Monopoly:
  The Case of 19th Century U.S. Railroad Development
5:30pm  **Plenary Session – Schimmel Auditorium, Tisch Hall**  
**Chair,** Fabrizio Perri  
**Orazio Attanasio,** University College-London  
The Evolution of Income and Consumption Distributions:  
What We Know and What We Can Learn From It

10:00pm – 12:30am  **The Contractions at the Sheraton Hotel**  
Sheraton New York Hotel and Towers  
New York Ballroom B – 3rd Floor

Drinks are to be paid by each individual. Gratuities at this event are included in the drink price.
Saturday, June 29

8:30am – 9:30am  **Breakfast**
Patrons Lobby – Upper Concourse, Tisch Hall

9:30am – 11:30am  **Parallel Sessions: Invited Contributions and Contributed Papers**

**International Macro – UC-52, Tisch Hall**
- *Bernhard Paasche*, Carnegie Mellon University
  - Competition and Intervention in Sovereign Debt Markets

- *Roberto Chang*, Rutgers University
  - *Luis Cespedes*, International Monetary Fund
  - *Andres Velasco*, Harvard University
  - Balance Sheets and Exchange Rate Policy

- *Gita Gopinath*, University of Chicago, Graduate School of Business
  - Lending Booms, Sharp Reversals and Real Exchange Rate Dynamics

- *Diego Valderrama*, Duke University
  - The Impact of Financial Frictions on a Small Open Economy: When Current Account Borrowing Hits a Limit

**Industrial Organization – UC-62, Tisch Hall**
- *Johannes Horner*, KSM-MEDS, Northwestern University
  - *Morton Kamien*, KSM-MEDS, Northwestern University
  - Too Much of a Good Thing? Resale and the Coase Conjecture

- *Mariagiovanna Baccara*, Princeton University
  - *Ronny Razin*, New York University
  - From Thought to Practice: Appropriation and Endogenous Market Structure with Imperfect Intellectual Property Rights

- *Andrzej Skrzypacz*, Stanford University
  - *Yossi Feinberg*, Stanford University
  - Uncertainty about Fundamentals and Delay in Bargaining

**The European Labor Markets – KMC 2-60**
- *Lars Ljungqvist*, Stockholm School of Economics
  - *Thomas J. Sargent*, Stanford University
  - The European Employment Experience
• Olivier Blanchard, MIT
  Thomas Philippon, MIT
  The Disappearance of Rents, and the Rise and Fall of Unemployment in Europe

• Christopher Pissarides, London School of Economics
  Paloma Lopez-Garcia, CES, Munich, and London School of Economics
  The Employment Implications of Firm Entry: OECD Evidence

**Growth and R&D – UC-61, Tisch Hall**

• Diego Comin, New York University
  R&D? Just a Small Contribution to Productivity Growth

• Pietro Peretto, Duke University
  Fiscal Policy and Endogenous Growth:
  A Superneutrality Result for R&D-Based Models

• Dan Peled, University of Haifa (visiting Boston University)
  Benjamin Bental, University of Haifa
  Quantitative Growth Effects of Subsidies in a Search Theoretic R&D Model

• John Coleman, Duke University
  Francesco Caselli, Harvard University
  On the Theory of Ethnic Conflict

**Macroeconomics and Finance I – KMC 1-70**

• Jose Wynne, Duke University
  Business Cycles and Firm Dynamics in Small Emerging Economies

• Gian Luca Clementi, Carnegie Mellon University
  Rui Castro, Universite de Montreal
  Glenn MacDonald, Washington University in St. Louis
  Optimal Financing Contracts, Investor Protection, and Growth

• Pietro Reichlin, Universita' di Roma La Sapienza
  Gaetano Bloise, CORE
  A Model of Strategic Default with Formal and Informal Lenders

• Martin Schneider, UCLA
  Rui Albuquerque, University of Rochester
  Stock Market Liberalizations:
  A Model of Transition Dynamics in Flows and Returns
Monetary Policy I – UC-65, Tisch Hall

- *Ester Faia*, New York University
  Monetary Policy in a World with Different Financial Systems

- *Antonella Trigari*, New York University
  Equilibrium Unemployment, Wage Bargaining and Monetary Policy

- *Ariel Burstein*, Northwestern University
  Inflation and Output Dynamics with State Dependent Pricing Decisions

- *Andrea Tambalotti*, Princeton University
  Monetary Policy and Technological Progress

Bankruptcy and Default – UC-63, Tisch Hall

- *Michele Tertilt*, University of Minnesota
  James MacGee, University of Minnesota and Federal Reserve Bank of Minneapolis
  Igor Livshits, University of Western Ontario
  Consumer Bankruptcy: A Fresh Start

- *Karsten Jeske*, Federal Reserve Bank of Atlanta
  A Dynamic Model of Vertical Specialization, Chains, and Default Risk

- *Carlos Garriga* and Eric Young, Florida State University
  Equilibrium Firms Financing with Bankruptcy

- *Luisa Lambertini*, UCLA
  Costas Azariadis, UCLA
  Is There a Risk Premium Puzzle?

The Role of Information in Markets – LC-12, Tisch Hall

- *Ali Hortacsu*, University of Chicago
  Chad Syverson, University of Chicago
  Search Costs, Product Differentiation and the Welfare Impact of Entry: A Case Study of S & P 500 Index Funds

- *Gautam Gowrisankaran*, University of Minnesota, Federal Reserve Bank of San Francisco and NBER
  Michael Chernew, University of Michigan and NBER
  Dennis Scanlon, Pennsylvania State University
  Learning and the Value of Information: The Case of Health Plan Report Cards
• Victor Aguirregabiria, Boston University
  Price Dispersion and Intertemporal Price Discrimination in Supermarkets: Evidence from the Estimation of a Dynamic Game

11:30am – 12:45pm  Lunch
  Patrons Lobby – Upper Concourse, Tisch Hall

12:45pm – 2:45pm  Parallel Sessions: Invited Contributions and Contributed Papers

Family Macroeconomics – KMC 1-70
• Raquel Fernandez, New York University
  Alessandra Fogli, New York University
  Claudia Olivetti, Boston University
  Marrying Your Mom: Sons, Mothers, and Women's Labor Force Participation

• Alessandra Fogli, New York University
  Vincenzo Quadrini, New York University
  Born to Race

• Jeremy Greenwood, University of Rochester
  The Baby Boom and Baby Bust:
  Some Macroeconomics for Population Economics

Private Information and Participation Costs – LC-12, Tisch Hall
• Laura Veldkamp, INSEAD
  Frenzies, Crashes and Markets for Financial Information

• Pierre-Olivier Weill, Stanford University
  The Liquidity Premium in a Dynamic Bargaining Market

• Uday Rajan, Carnegie Mellon University
  Christine A. Parlour, Carnegie Mellon University
  Inefficient Trade

• Helios Herrera, New York University
  Participation Externalities and Asset Prices Volatility

Dynamic Coordination Games – UC-63, Tisch Hall
• Stephen Morris, Yale University
  Amil Dasgupta, London School of Economics
  Giancarlo Corsetti, Universita' di Roma
  Does One Soros Make a Difference? A Theory of Currency Crises with Large and Small Traders
• *Dana Heller*, University of Chicago and Tel-Aviv University
  Social Interactions, Human Capital and Mobility

• *George-Marios Angeletos*, MIT
  Christian Hellwig, London School of Economics
  Alessandro Pavan, Northwestern University
  Interest Rate Policy and Expectation Traps in Currency Crises

**Total Factor Productivity – UC-52, Tisch Hall**

• *Ricardo Lagos*, New York University
  A Model of TFP

• *Roberto Samaniego*, George Washington University
  Policy, Industry Composition and Output

• *Richard Rogerson*, Arizona State University
  Douglas Gollin, Williams College
  Stephen Parente, University of Illinois
  The Role of Agriculture in Development

**Real Exchange Rates: Pricing to Market – UC-61, Tisch Hall**

• *George Alessandria*, Ohio State University
  Real Exchange Rates and the Role of Domestic and International Trade Costs

• *Sylvain Leduc*, Federal Reserve Bank of Philadelphia
  Luca Dedola, Bank of Italy
  Giancarlo Corsetti, University of Rome III
  Accounting for Real Exchange-Rate Changes:
  The Role of Market Segmentation and Distribution Services

• *Michael Devereux*, University of British Columbia
  Charles Engel, University of Wisconsin
  Exchange Rate Volatility, Exchange Rate Pass-Through, and Exchange Rate Disconnect

**Private Money – UC-62, Tisch Hall**

• *Guido Lorenzoni*, Princeton University
  Christian Hellwig, London School of Economics
  Self-enforcing Ponzi Games and Liquidity

• *Stephen Williamson*, University of Iowa
  Limited Participation, Private Money, and Credit in a Spatial Model of Money
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<th>Author(s)</th>
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<td>Simon Fraser University, Federal Reserve Bank of Cleveland</td>
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<td>Régis Breton</td>
<td>University of Paris 10 at Nanterre</td>
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<td>Coordination vs. Differentiation in a Standards War: 56K Modem Adoption by ISP's</td>
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<td>Matthew Shum</td>
<td>Johns Hopkins University, F. Panetta and F. Schivardi, Bank of Italy</td>
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Macroeconomics and Finance II – KMC 2-60
- Ellen McGrattan, Federal Reserve Bank of Minneapolis
  Ed Prescott, University of Minnesota
  The Stock Market Crash of 1929: Irving Fisher was Right!
- Amir Yaron, Wharton School, University of Pennsylvania
  Joao Gomes and Lu Zhang, University of Pennsylvania
  Asset Pricing Implications of Firm's Financing Constraints
- Annette Vissing-Jorgensen, University of Chicago
  Tobias J. Moskowitz, University of Chicago, Graduate School of Business
  Marianne P. Bitler, RAND
  Why Must Entrepreneurs Hold Large Ownership Shares?
  Optimal Contracting in Private and Newly Public Firms
- Burton Hollifield, GSIA, Carnegie Mellon University
  Michael Gallmeyer, GSIA, Carnegie Mellon University
  An Examination of Heterogeneous Beliefs with a Short Sale Constraint

2:45pm – 3:15pm
Snack
Patrons Lobby – Upper Concourse, Tisch Hall

3:15pm – 5:15pm
Parallel Sessions: Invited Contributions and Contributed Papers

Monetary History – UC-63, Tisch Hall
- Warren Weber, Federal Reserve Bank of Minneapolis
  Banknote Pricing in the Antebellum United States
- Antoine Martin, Federal Reserve Bank of Kansas City
  Endogenous Multiple Currencies
- François Velde, Federal Reserve Bank of Chicago
  Government Equity and Money: John Law's System in 1720 France

International Economics and the Depression – KMC 1-70
- Lee E. Ohanain, UCLA
  Harold Cole, UCLA
  Ron Leung, University of Minnesota
  Real Wages, Deflation, and the World-Wide Great Depression
- Amartya Lahiri, UCLA
  Carlos Vegh, UCLA
  On the Non-Monotonic Relationship Between Interest Rates and the Exchange Rate
• **Sharon Harrison**, Barnard College, Columbia University
  Mark Weder, Humboldt University, Berlin
  Did Sunspot Forces Cause the Great Depression?

**Measuring and Explaining Border Effects – UC-61, Tisch Hall**
• **Michael Rolleigh**, University of Minnesota
  Ron Leung, University of Minnesota and Federal Reserve Bank of Minneapolis
  Opening to Trade and Firm Selection

• **Marios Zachariadis**, Louisiana State University
  Mario Crucini, Vanderbilt University
  Chris Telmer, Carnegie Mellon University
  How Wide is the Border (cont.)?

• **Esteban Rossi-Hansberg**, University of Chicago
  A Spatial Model of Trade

**Plant Heterogeneity – LC-12, Tisch Hall**
• **Raphael Bergoeing**, Universidad de Chile
  Andrea Repetto, Universidad de Chile
  Disaggregated Fluctuations and Policy

• **Michael Gort**, State University of New York at Buffalo
  Seong-Hoon Lee, State University of New York at Buffalo
  J. Bradford Jensen, U.S. Bureau of the Census
  The Probability of Survival of Industrial Plants

• **Samuel Kortum**, University of Minnesota
  Jonathan Eaton, Boston University
  Francis Kramarz, CREST-INSEE
  An Anatomy of International Trade: Evidence from French Firms

**Business Cycles II – UC-62, Tisch Hall**
• **Daniele Coen-Pirani**, Carnegie-Mellon University
  Microeconomic Inventory Behavior and Aggregate Inventory Dynamics

• **Aubhik Khan**, Federal Reserve Bank of Philadelphia
  Julia K. Thomas, University of Minnesota
  Reassessing the Role of Inventories over the Business Cycle

• **Yi Wen**, Cornell University
  Tarek Coury, Cornell University
  Global Indeterminacy and Chaos in Standard RBC Models
• **Brian Peterson**, Indiana University  
  Housing Investment and the Business Cycle

**Monetary Policy II – KMC 2-60**
• **Chris Edmond**, UCLA  
  Fernando Alvarez, University of Chicago  
  Andrew Atkeson, UCLA  
  Can a Baumol-Tobin Model Explain the Short-Run Behavior of Velocity?

• **Vasso P. Ioannidou**, Tilburg University  
  Charles T. Carlstrom, Federal Reserve Bank of Cleveland  
  Timothy Fuerst, Bowling Green State University  
  Monetary Policy and Asset Prices

• **Nurlan Turdaliev**, McGill University  
  Cheap Talk and Monetary Policy

• **Filippo Occhino**, Rutgers University  
  Monetary Policy Shocks in an Economy with Segmented Markets

**Credit Market Frictions – UC-52, Tisch Hall**
• **Neng Wang**, Graduate School of Business, Stanford University  
  Understanding the Distribution of Earnings, Wealth, and Lifetimes

• **Stijn Van Nieuwenburgh**, Stanford University  
  Hanno Lustig, Stanford University  
  Housing and Countercyclical Variation in Risk Premia

• **Dirk Krueger**, Stanford University  
  Fabrizio Perri, Stern School of Business, New York University  
  Does Income Inequality Lead to Consumption Inequality? Evidence and Theory

• **Tom Krebs**, Brown University  
  Incomplete Markets, Borrowing Constraints, and Consumption Inequality

**Structural Estimation of Dynamic Models I – LC-10, Tisch Hall**
• **Andrea Moro**, University of Minnesota  
  Alberto Bisin and Giorgio Topa, New York University  
  A Procedure for Estimating Models with Multiple Equilibria
• Ken Wolpin, University of Pennsylvania
  Using a Social Experiment to Validate a Dynamic Behavioral Model of Fertility and Child Schooling: Assessing the Impact of a School Subsidy Program in Mexico

• Christopher Ferrall, Queen's University
  Explaining and Forecasting Results of The Self-Sufficiency Project

• Michael Keane, New York University and Yale University
  Antonio Merlo, University of Pennsylvania
  A Political Economy Model of Congressional Careers

**Dynamic Portfolio Allocation – UC-65, Tisch Hall**

• Andrea Eisfeldt, Kellogg School of Management Northwestern University
  Smoothing with Liquid and Illiquid Assets

• Valery Polkovnichenko, University of Minnesota
  Life Cycle Consumption and Portfolio Choice with Additive Habit Formation Preferences and Uninsurable Labor Income Risk

• Thomas D. Tallarini, Jr., Carnegie Mellon University
  Stanley E. Zin, Carnegie Mellon University
  Dynamic Portfolio Choice and Risk Aversion

• Alex Michaelides, LSE
  Francisco Gomes, London Business School
  Life-Cycle Asset Allocation: A Model with Borrowing Constraints, Uninsurable Labor Income Risk and Stock-Market Participation Costs

5:30pm  
**Plenary Session – Schimmel Auditorium, Tisch Hall**

*Chair,* Thomas Cooley

**Lee Ohanian,** University of California, Los Angeles
  Neoclassical Studies of Great Depressions: Puzzles and Progress

9:00pm – 11:00pm  
**Reception at the Solomon R. Guggenheim Museum**

Rotunda

Drinks and hors d’oeuvres will be served. Guests will be able to view a brand new exhibit.
Sunday, June 30

8:30am – 9:30am  **Breakfast**  
Patrons Lobby – Upper Concourse, Tisch Hall

9:30am – 11:30am  **Parallel Sessions: Invited Contributions and Contributed Papers**

**Migration – LC-10, Tisch Hall**
- **Paul Klein**, University of Western Ontario
  Gustavo Ventura, Pennsylvania State University  
The birth rate and the berth rate:  
Accounting for Mass Migration to the New World

- **Giorgio Bellettini**, University of Bologna  
  Carlotta Berti Ceroni, University of Bologna  
  Migration and Human Capital Accumulation

- **Giovanni Peri**, University of California, Davis  
  Young Workers, Skills and Cities

**Search – KMC 2-60**
- **Robert Shimer**, Princeton University and NBER  
The Assignment of Workers to Jobs in an Economy with Coordination Frictions

- **Shouyong Shi**, Indiana University  
  Frictional Assignment, Part II: Infinite Horizon and Inequality

- **Michael Sattinger**, University at Albany  
  Temporary Equilibrium and Price Dispersion in a Queuing Model

- **Jan Eeckhout**, University of Pennsylvania  
  Learning, Employer Competition, and Common Values

**Empirical Industrial Organization II – LC-12, Tisch Hall**
- **Patrick Bajari**, Stanford University  
  Ali Hortacsu, University of Chicago  
  The Winner's Curse, Reserve Prices and Endogenous Entry:  
  Empirical Insights From eBay Auctions

- **Elie Tamer**, Princeton University  
  Identification and Estimation in Discrete Response Models with Local Interaction
• **Daniel Ackerberg**, UCLA
  A New Use of Importance Sampling to Reduce Computational Burden in Simulation Estimation

• **Harry Paarsch**, University of Iowa
  Stephen Donald, University of Texas
  Jacques Robert, Universite de Montreal
  Identification and Estimation in Empirical Models of Sequential, Oral, Ascending-Price Auctions

**Labor Supply and Wealth – UC-62, Tisch Hall**

• **Hugo Benitez-Silva**, SUNY-Stony Brook
  Labor Supply Flexibility and Portfolio Choice

• **Amir Yaron**, The Wharton School
  Mark Huggett, Georgetown University
  Gustavo Ventura, Penn-State University
  Distributional Implications of a Benchmark Human Capital Model

• **Michael Pries**, University of Maryland, College Park
  Fundamental Reform of Social Security: Labor Supply and Consumption Smoothing in a Model with Earnings Uncertainty

• **David Love**, Yale University
  401(k)s and Precautionary Savings

**Macroeconomic Policy – KMC 1-70**

• **Christopher Phelan**, Federal Reserve Bank of Minneapolis
  Opportunity and Social Mobility

• **Nancy L. Stokey**, University of Chicago
  Rules versus Discretion after Twenty-five Years

• **Christopher Sleet**, University of Iowa
  Credible, Incentive Constrained Fiscal Policy

**Contracts and Information – UC-63, Tisch Hall**

• **Marco Battaglini**, Princeton University
  Moral Hazard in Teams with Vector Outputs

• **Giacomo Calzolari**, University of Bologna
  Alessandro Pavan, Northwestern University
  Monopoly with Resale

• **Rui Zhao**, SUNY, Albany
  On Renegotiation-proof Contracts in Repeated Agency
• *Adrian Masters*, University of Essex
  Unpleasant Middlemen

**Macroeconomics and Finance III – UC-65, Tisch Hall**
• *Christopher Otrok*, University of Virginia
  B. Ravikumar and Charles Whiteman, University of Iowa
  Stochastic Discount Factor Models and the Equity Premium Puzzle

• *Joao Gomes*, The Wharton School, University of Pennsylvania
  Dmitry Livdan, University of Pennsylvania
  Optimal Diversification

• *Charles Himmelberg*, Federal Reserve Bank of New York
  and Columbia University
  Vincenzo Quadrini, New York University
  The Dynamics of New Firms

**Monetary Economics II – UC-52, Tisch Hall**
• *David Altig*, Federal Reserve Bank of Cleveland
  Lawrence Christiano and Martin Eichenbaum, Northwestern University
  Jesper Linde, Sveriges Riksbank
  Policy Shocks, Technology Shocks, and Nominal Rigidities:
  A Dynamic Model to Fit the Facts

• *Christopher Erceg*, Federal Reserve Board
  Andrew T. Levin, Federal Reserve Board
  Optimal Monetary Policy with Durable and Non-Durable Goods

• *Andrew Levin*, Federal Reserve Board
  John C. Williams, Federal Reserve Board
  Robust Monetary Policy with Competing Reference Models

• *Bill Dupor*, University of Pennsylvania
  Nominal Price versus Asset Price Stabilization

**International Trade II – UC-61, Tisch Hall**
• *Berthold Herrendorf*, Universidad Carlos III de Madrid
  Arilton Teixeira, Ibmec, Rio de Janeiro, Brasil
  How Trade Policy Affects Technology Adoption and Productivity

• *Marco Maffezzoli*, Bocconi University - IEP
  Alejandro Cuñat, LSE, CEP and CEPR
  Heckscher-Ohlin Business Cycles
• Francesc Obiols-Homs, ITAM
  Trade Effects on the Personal Distribution of Wealth

• Marla Ripoll, University of Pittsburgh
  James Cassing, University of Pittsburgh
  Tariffs, Growth, and Trading-Partner Tariffs

11:30am – 12:45pm  Lunch
  Patrons Lobby – Upper Concourse, Tisch Hall

12:45pm – 2:45pm  Parallel Sessions: Invited Contributions and Contributed Papers

  Bubbles and Macroeconomics – KMC 2-60
  • Markus Brunnermeier, Princeton University
    Dilip Abreu, Princeton University
    Bubbles and Crashes
  • Jaume Ventura, MIT
    Globalization and Bubbles
  • Ricardo Caballero, MIT
    Mohamad Hammour, Delta
    Speculative Growth

  Partial Insurance – UC-62, Tisch Hall
  • Nicola Pavoni, University College London
    Abraham Arphad, Universitat Pompeu Fabra
    Dynamic Moral Hazard with Borrowing and Lending
  • Luigi Pistaferri, Stanford University
    Richard Blundell and Ian Preston, University College London
    Partial Insurance and Consumption Dynamics
  • Gianluca Violante, University College London
    Jonathan Heathcote, Duke University
    Kjetil Storesletten, Stockholm University
    From Earnings to Consumption Inequality: A Quantitative Analysis
  • Elizabeth Caucutt, University of Rochester
    Lance Lochner, University of Rochester
    Borrowing Constraints and Life-Cycle Human Capital Investment
International Trade III – UC-65, Tisch Hall

- Claustre Bajona, University of Miami
  Timothy Kehoe, University of Minnesota and Federal Reserve Bank of Minneapolis
  Oh Dynamic Heckscher-Ohlin Models

- Rafael Rob, University of Pennsylvania
  Nikolaos Vettas, Duke University
  Foreign Direct Investment and Exports with Growing Demand

- Kei-Mu Yi, Federal Reserve Bank of New York
  A Simple Model of Trade Across Space and Time

- Timothy Kehoe, University of Minnesota
  An Evaluation of the Performance of Applied General Equilibrium Models of the Impact of NAFTA

Policies and Growth – UC-61, Tisch Hall

- Tianshu Chu, East-West Center
  Exit Barriers and Economic Stagnation

- Krishna Kumar, USC Marshall School of Business
  Elizabeth M. Caucutt, University of Rochester
  Policies to Free a Trapped Economy: The Case of Sub-Saharan Africa

- Andy Neumeyer and Hugo Hopenhayn, Universidad T. Di Tella
  Growing with an Incredible Protection

Optimal Fiscal and Monetary Policy – KMC 1-70

- Marc Giannoni, Federal Reserve Bank of New York
  Michael Woodford, Princeton University
  Optimal Interest-Rate Rules

- Stephanie Schmitt-Grohe, Rutgers University
  Martin Uribe, University of Pennsylvania
  Optimal Fiscal And Monetary Policy Under Sticky Prices

- Pedro Teles, Federal Reserve Bank of Chicago, CEPR
  Bernardino Adao and Isabel Correia, Banco de Portugal, UCP, CEPR
  Instruments of Monetary Policy

- Jordi Gali, CREI
  Richard Clarida, U.S. Treasury
  Mark Gertler, New York University
  A Simple Framework for International Monetary Policy Analysis
Unemployment – UC-62, Tisch Hall
- Rasmus Lentz, Northwestern University
  Unemployment Insurance in a Structurally Estimated Model of Job
  Search and Savings

- Stephane Pallage, CREFE and University of Quebec at Montreal
  Michel A. Robe, Kogod School of Business, American University
  Christian Zimmermann, CREFE and University of Quebec at Montreal
  Unemployment Insurance: Isn't Marriage Enough?

- Michelle Alexopoulos, University of Toronto
  Trisha Gladden, University of Missouri-Columbia
  Wealth, Reservation Wages and Labour Market Transitions in the U.S

- Marcelo Veracierto, Federal Reserve Bank of Chicago
  The Cyclical Behavior of Employment, Unemployment and Labor
  Force Participation

Private Information, Monitoring and Trade – UC-63, Tisch Hall
- Susanna Esteban, Penn State University
  Eiichi Miyagawa, Columbia University
  Matthew Shum, Johns Hopkins University
  Optimal Pricing of Temptation Goods

- Edward Simpson Prescott, Federal Reserve Bank of Richmond
  Models of Limited and Costly Communication

- Adriano Rampini, Northwestern University
  Alberto Bisin, New York University
  Piero Gottardi, University of Venice
  Portfolio Monitoring

Local Interactions: Theory and Evidence – LC-12, Tisch Hall
- Giorgio Topa, New York University
  Timothy G. Conley, Graduate School of Business, University of Chicago
  Dynamic Properties of Local Interaction Models

- Dean Corbae, University of Texas at Austin
  John Duffy, University of Pittsburgh
  On Contagion in Network Economies

- Thomas Holmes, University of Minnesota
  Neighborhood Effects and the Dynamics of Unions
2:45pm – 3:15pm  **Snack**
Patrons Lobby – Upper Concourse, Tisch Hall

3:15pm – 5:15pm  **Parallel Sessions: Invited Contributions and Contributed Papers**

**Macroeconometrics – UC-52, Tisch Hall**
- *Pau Rabanal*, New York University
  Juan F. Rubio-Ramirez, Federal Reserve Bank of Atlanta
  Nominal versus Real Wage Inertia: A Bayesian Approach

- *Filippo Altissimo*, Kennedy School of Government, Harvard
  University and CEPR
  Paolo Zaffaroni, Bank of Italy and CEPR
  Micro Heterogeneity and Macro Dynamics: An Empirical Analysis

- *Marco Del Negro*, Federal Reserve Bank of Atlanta
  Frank Schorfheide, University of Pennsylvania
  Priors from General Equilibrium Models for VARs: Forecasting and Identification

- *James Bullard*, Federal Reserve Bank of St. Louis
  John Duffy, University of Pittsburgh
  Learning to Detrend the Macroeconomic Data

**Credible Government Policies – UC-65, Tisch Hall**
- *Stefania Albanesi*, Bocconi University and IGIER
  The Time Consistency of Optimal Monetary Policy with Heterogeneous Agents

- *Jesus Fernandez-Villaverde*, University of Pennsylvania
  Aleh Tsyvinski, University of Minnesota
  Optimal Fiscal Policy in a Business Cycle Model without Commitment

- *Martin Bodenstein*, Northwestern University
  Roc Armenter, Northwestern University
  Does The Time Inconsistency Problem Make Fixed Exchange Rates More Desirable?

- *Sevin Yeltekin*, Kellogg School of Management, Northwestern University, MEDS
  Christopher Sleet, University of Iowa
  Markovian Government Preferences and Monetary Policy
Real Exchange Rates – LC-12, Tisch Hall

- Cedric Tille, Federal Reserve Bank of New York
  How Valuable is Exchange Rate Flexibility?
  Optimal Monetary Policy under Sectoral Shocks

- Bev Lapham, Queen's University
  Marianne Vigneault, Bishop's University
  National Markets and International Relative Prices

- Jim MacGee, Federal Reserve Bank of Minneapolis
  Distribution, Trade and Relative Prices

- Caroline Betts, University of Southern California
  Timothy Kehoe, University of Minnesota
  Real Exchange Rate Movements and the Relative Price of Non-Traded Goods

Search-Based Models of Money – UC-63, Tisch Hall

- Brett Norwood, University of Pennsylvania
  On the Emergence of Monetary Exchange

- Miquel Faig, University of Toronto
  Belen Jerez, Universidad Autonoma de Barcelona
  A Theory of Commerce: Competitive Search and Private Information

- Guillaume Rocheteau, School of Economics, Australian National University
  Aleksander Berentsen, University of Basel
  Shouyong Shi, Indiana University
  Friedman Meets Hosios: Efficiency in Search Models of Money

- Miguel Molico, University of Western Ontario
  Yahong Zhang, University of Western Ontario
  Monetary Policy and the Distributions of Money and Capital

Inequality, Consumption and Asset Returns – KMC 2-60

- Patrick Fève, University of Toulouse
  Franck Portier, University of Toulouse
  The French Stock Market Valuation from a Neoclassical Perspective

- Thijs van Rens, Princeton University
  Giorgio Primiceri, Princeton University
  Inequality over the Business Cycle:
  Decomposing Income Uncertainty using Consumption Data
• Jonathan Parker, Princeton University
  The Risk of Equity for the Consumption of Wealthy Households

• Fatih Guvenen, University of Rochester
  Does Stockholding Provide Perfect Risk Sharing?

Human Capital and Labor Markets – UC-62, Tisch Hall
• Joe Kaboski, Ohio State University
  Growth, Technology and Inequality with Rising Schooling Attainment

• Sangeeta Pratap, ITAM
  Erwan Quintin, Federal Reserve Bank of Dallas
  Are Labor Markets Segmented in Argentina?
  A Semi Parametric Approach

• Alain Delacroix, Purdue University
  Union Power, Insider Power and Labor Market Flexibility

Structural Estimation of Dynamic Models II – KMC 1-70
• Adam Copeland, University of Minnesota
  Cyril Monnet, European Central Bank
  The Welfare Effects of Incentive Schemes

• Francois Ortalo-Magne, University of Wisconsin and London School of Economics
  Antonio Merlo, University of Pennsylvania
  A segmented market view of the listing price:
  Theory and Evidence from the Housing Market

• Christopher Flinn, New York University
  Meta Brown, University of Wisconsin
  Investment in Child Quality over Marital States

• Zvi Eckstein, Tel Aviv University and University of Minnesota
  Sarit Cohen, Bar-Ilan University
  Labor Mobility of Immigrants: Training, Experience and Opportunities

5:30pm  Plenary Session – Schimmel Auditorium, Tisch Hall
Chair, Narayana Kocherlakota
Wolfgang Pesendorfer, Princeton University
The Revealed Preference Theory of Changing Tastes

7:30pm – 11:00pm  Reception at Tavern on the Green
Crystal Pavilion, Rafters Room and Terrace Room

  7:30pm – 8:30pm  Cocktail Reception
  8:30pm – 11:00pm  Dinner