

Program Schedule¹
2009 Meetings of the Midwest Econometrics Group
Purdue University

FRIDAY, 12:00-6:00:

REGISTRATION: Please report to the *East Foyer of Stewart Center* to receive your conference folder. The folder will contain: a name tag, relevant maps, parking passes (if needed, depending on your hotel) as well as meal tickets and drink tickets. Meal and drink tickets will be required to receive dinner (Friday) and breakfast and lunch (Saturday).

FRIDAY, 12:05-12:25

Welcoming Remarks, Stewart Center 314. General remarks related to the conference and 2010 MEG will be discussed.

FRIDAY, 12:30-2:00

Session 1A: Spatial Econometrics

Stewart 313

Moderator: *James P. LeSage*

- “Two Stage Least Squares Estimation of Spatial Autoregressive Models with Endogenous Regressors and Many Instruments” **Xiaodong Liu** (University of Colorado) and Lung-fei Lee (Ohio State University).
- “GMM Estimation of MRSAR Models with Missing Observations in Dependent Variables - Theory and Application” **Wei Wang** and Lexian Liu (Ohio State University).
- “Spatial dynamic panel data models with random effects applied to highway induced vehicle travel demand” Olivier Parent (University of Cincinnati) and **James P. LeSage** (Texas State University-San Marcos).

Session 1B: Bayesian Econometrics

Rawls 1062

Moderator: *Martijn van Hasselt*

- “Bayesian Analysis of DSGE Models with Regime Switching” **Yunjong Eo** (University of Sydney).
- “A Bayesian Analysis of Binary Misclassification: Inference in Partially Identified Models” Chris Bollinger (Kentucky) and **Martijn van Hasselt** (University of Western Ontario).

¹Financial support provided by the Krannert School of Management and Department of Economics, Purdue University and the *Journal of Applied Econometrics* is gratefully acknowledged.

Session 1C: **Econometric Theory**

Stewart 314

Moderator: *Yong Bao*

- “Testing for Serial Independence of Generalized Errors” **Zaichao Du** (Indiana University).
- “ADL Tests for Threshold Cointegration” **Jing Li** (South Dakota State University) and Junsoo Lee (University of Alabama).
- “Skewness and Kurtosis Coefficients in Finite Samples and a Generalized Jarque-Bera Test” **Yong Bao** (Purdue University).

Session 1D: **Monetary Policy**

Stewart 311

Moderator: *Walter Enders*

- “The Superiority of Greenbook Forecasts and the Role of Recessions” **N. Kundan Kishor** (University of Wisconsin-Milwaukee).
- “Targets in the Taylor Rule: Some Theory and Evidence from the Greenbook Data” Michael S. Hanson (Fed. Board of Governors) and **Pavel Kapinos** (Carleton College).
- “A New Look at the Taylor Curve and the Great Moderation” Eric Olson (University of Alabama), **Walter Enders** (University of Alabama) and Mark E. Wohar (University of Nebraska-Omaha).

FRIDAY, 2:00-2:30

Break

FRIDAY, 2:30-4:00

Session 2A: **Financial Econometrics**

Rawls 1062

Moderator: *Scott Gilbert*

- “Robust Portfolio Selection with Higher Moments and S-shaped Utility ” Sung Yong Park (WISE Institute, Xiamen University) and **Zhihuang Shuai** (University of Illinois).
- “Backtesting Portfolio Value-at-Risk with Estimated Portfolio Weights” **Pei Pei** (Indiana University).
- “Econometrics of Portfolio Tilting” **Scott Gilbert** (Southern Illinois University).

Session 2B: **Macroeconomics: Growth**

Stewart 311

Moderator: *Daniel J. Henderson*

- “The Trend in Per-capita output and the Growth Shift Hypothesis: a Robust Evaluation” Mohitosh Kejriwal (Purdue University) and **Claude Lopez** (University of Cincinnati).
- “Estimating U.S. Output Growth with Vintage Data in a State-Space Framework” **Richard G. Anderson** (Federal Reserve Bank of St. Louis) and Charles S. Gascon (Federal Reserve Bank of St. Louis).
- “Are any growth theories linear? Why we should care about what the evidence tells us” **Daniel J. Henderson** (SUNY-Binghamton) Chris Papageorgiou (IMF) and Christopher F. Parmeter (Virginia Polytechnic Institute and State University).

Session 2C: **Instrumental Variables**

Stewart 314

Moderator: *Jason Abrevaya*

- “An Alternative Way of Computing Efficient Instrumental Variable Estimators” Xiaohong Chen (Yale), **David T. Jacho-Chavez** (Indiana University) and Oliver Linton (London School of Economics).
- “Instrumental Variables Estimation and Weak-Identification-Robust Inference Based on Conditional Quantile Restriction” Vadim Marmer (University of British Columbia) and **Shinichi Sakata** (University of British Columbia).
- “A GMM approach for dealing with missing data on regressors and instruments” **Jason Abrevaya** (University of Texas) and Stephen G. Donald (University of Texas).

Session 2D: **Applied Microeconometrics: Dynamic Models**

Stewart 313

Moderator: *Garfield O. Blake*

- “Poverty Persistence and the Market for Migrant Labor: An Analysis Using a Dynamic Binary Response Panel Data Model with an Endogenous Regressor” John Giles (Michigan State University and the World Bank) and **Irina Murtazashvili** (University of Pittsburgh).
- “Dynamic Model of Household’s Stock Market Participation” **Natalia Khorunzhina** (University of Pittsburgh).
- “Criminal Deportees and Violent Crime: Evidence from a Cross-National Panel of Homicide Rates, 1970-2004” **Garfield O. Blake** (Binghamton University).

FRIDAY, 4:00-4:30

Break

FRIDAY, 4:30-6:00

Session 3A: **Econometric Theory**

Stewart 314

Moderator: *John Keating*

- “VECM Rank Tests with Chi-Squared Limits Using Nonlinear Instruments” **J. Isaac Miller** (University of Missouri).
- “Testing for cointegration and nonlinear adjustment in Smooth Transition Error Correction Model with the Cointegrating Vector is Prespecified” **Rehim Kilic** (Georgia Institute of Technology).
- “When do Wold Orderings and Long-run Recursive Identifying Restrictions Yield Identical Results?” **John Keating** (University of Kansas).

Session 3B: **Forecasting**

Stewart 311

Moderator: *David E. Rapach*

- “Forecasting Output Growth and Inflation: How to Use Information in the Yield Curve” **Eric Hillebrand** (Louisiana State University) Huiyu Huang (PanAgora Asset Management) Tae-Hwy Lee (University of California-Riverside) and Canlin Li (University of California-Riverside).
- “The Present Value Model with Stochastic Discount Rate and an ANN Process for Broad Dividends” **Man Fu** (Florida International University) and Prasad V. Bidarkota (Florida International University).
- “International Stock Return Predictability, Business-Cycle Fluctuations, and Information Diffusion” **David E. Rapach** (St. Louis University), Jack K. Strauss (St. Louis University) and Guofu Zhou (Washington University).

Session 3C: **Financial Econometrics**

Rawls 1062

Moderator: *Robert L. Kimmel*

- “Panels at High Frequencies: A Reexamination of Fama-French Regressions” **Yoosoon Chang** (Texas A&M), Hwagyun Kim (Texas A&M) and Joon Y. Park (Texas A& M and Sungkyunkwan University)
- “Asset Pricing Tests in Short Panels” Kewei Hou (Ohio State) and **Robert L. Kimmel** (Ohio State).

Moderator: *Kevin Mumford*

- “Under-reporting, Take-up, and the Distributional Effects of the Food Stamp Program” Bruce D. Meyer (University of Chicago and NBER) and **James X. Sullivan** (University of Notre Dame).
- “Signaling, SAT Coaching and Selective College Admissions” **Jun Ishii** (Amherst College) and Travis Chamberlain (London School of Economics).
- “How Costly is Welfare Stigma? Separating Psychological Costs from Time Costs” Colleen Flaherty Manchester (University of Minnesota) and **Kevin J. Mumford** (Purdue University).

FRIDAY, 6:00-6:30

Reception

East and West Faculty Lounges, Purdue Memorial Union

FRIDAY, 6:30-

Dinner

East and West Faculty Lounges, Purdue Memorial Union

- After dinner comments provided by **Siddhartha Chib**, Harry C. Hartkopf Professor of Econometrics and Statistics, Washington University-St. Louis.
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SATURDAY, 7:00-8:00

Breakfast, East and West Faculty Lounges, Purdue Memorial Union.

SATURDAY, 8:00-9:45

Session 4A: **Bayesian Econometrics**

Rawls 1011

Moderator: *Andriy Norets*

- “Rare Events, Financial Crises and the Cross-Section of Asset Returns” **Francesco Bianchi** (Princeton University).
- “Change Points in Term-Structure Models: Pricing, Estimation and Forecasting” Sid Chib (Washington University) and **Kyu Ho Kang** (Washington University).
- “Understanding Choice Intensity: A Poisson Mixture Model with Logit-based Random Utility Selective Mixing” **Martin Burda** (University of Toronto), Matthew Harding (Stanford) and Jerry Hausman (MIT).
- “Approximation of Conditional Densities by Smooth Mixtures of Normal Regressions” **Andriy Norets** (Princeton University).

Session 4B: **Econometric Theory**

Rawls 1057

Moderator: *Thomas Parker*

- “Projection-based GEL score test for subsets of parameters with possible weak identification” **Saraswata Chaudhuri** (University of North Carolina-Chapel Hill).
- “GEL Specification Test Robust to Local Misspecification” Haiqi Li and **Sung Y. Park**.
- “Consistent and Asymptotically Unbiased MinP Tests of Multiple Inequality Moment Restrictions” **Christopher J. Bennett** (Vanderbilt University).
- “Comparison of Alternative Approaches to Goodness of Fit Tests with Estimated Parameters” **Thomas Parker** (University of Illinois)

Session 4C: **Volatility**

Rawls 1062

Moderator: *Natalia Sizova*

- “Optimal Prediction Under Asymmetric Loss and Performance of GARCH vs. Realized Volatility Forecasts” **Yasemin Ulu** (Temple university).
- “Models for Daily Realized Stock Volatility Time Series” **Mihaela Craioveanu** (University of Central Missouri) and Eric Hillebrand (Louisiana State University).
- “Longer-Horizon Return Predictability using Historical Volatility: Evidence for Long-Memory in Volatility” **Natalia Sizova** (Rice university).

Session 4D: Panel Data

Rawls 1086

Moderator: *Ted Juhl*

- “Group Effects Estimators in Fixed Effects Models” **C. Alan Bester** (University of Chicago) and Christian B. Hansen (University of Chicago).
- “Heteroskedasticity, Autocorrelation and Spatial Correlation Robust Inference in Linear Panel Models with Fixed-Effects” **Timothy J. Vogelsang** (Michigan State University).
- “Inference with Dependent Data Using Cluster Covariance Estimators” C. Alan Bester (University of Chicago), **Timothy G. Conley** (University of Chicago) and Christian B. Hansen (University of Chicago).
- “A Test for Slope Heterogeneity in Fixed Effects Models” **Ted Juhl** (University of Kansas) and Oleksandr Lugovskyy .

SATURDAY, 9:45-10:15

Break

SATURDAY, 10:15-12:00

Session 5A: Financial Econometrics

Rawls 1062

Moderator: *Taesuk Lee*

- “A Simple Test for Identification in GMM under Conditional Moment Restrictions” Francesco Bravo, **Juan Carlos Escanciano** and Taisuke Otsu.
- “Quasi-maximum Likelihood Estimation of Multivariate Diffusions” **Xiao Huang** (Kennesaw State University)
- “Asymptotics for the Maximum Likelihood Estimators of Diffusion Models” **Minsoo Jeong** (Texas A& M) and Joon Y. Park (Texas A&M).
- “Optimal Test for Jump Detection” **Taesuk Lee** (University of Rochester) and Werner Ploberger (Washington University).

Session 5B: Quantile Regression

Rawls 1011

Moderator: *Antonio Galvao, Jr.*

- “Penalized Quantile Regression for Dynamic Panel Data” Antonio F. Galvao, Jr. (University of Wisconsin-Milwaukee) and **Gabriel V. Montes-Rojas** (City University London).
- “Testing for Stock Market Contagion: A Quantile Regression Approach” Sung Yong Park (Wang Yanan Institute for Studies in Economics, Xiamen University), Wendun Wang (Center, Tilburg University) and **Naijing Huang** (Boston College).
- “Mind the Gap: Constructing Density Forecasts from Quantile Regressions” **Luiz Renato Lima** (University of Tennessee)
- “Threshold Quantile Autoregressive Models” **Antonio F. Galvao, Jr.** (University of Wisconsin-Milwaukee), Gabriel Montes-Rojas (City University London) and Jose Olmo (City University London).

Session 5C: Bayesian Methods and Unit Roots

Rawls 1057

Moderator: *Jeffrey A. Mills*

- “Pretesting the Forecast Accuracy of Nonlinear Models” **Walter Enders** (University of Alabama) and Razvan Pascual (SUNY-Plattsburgh).
- “Unit Roots Tests Using More Moment Conditions than Least Squares” Kyung-So Im (FDIC) and **Margie Tieslau** (University of North Texas).
- “Likelihood-based Confidence Intervals for Threshold Models” **Luigi Donayre**, Yunjong Eo and James C. Morley (Washington University).
- “A Robust Bayesian Unit Root Test” **Jeffrey A. Mills** (University of Cincinnati).

Session 5D: Econometric Theory

Rawls 1086

Moderator: *Robert de Jong*

- “Exponential Cointegrating Regressions with Applications” **Jungick Lee** (Ohio State University) and Robert de Jong (Ohio State University).
- “Level Crossing Random Walk Test Robust to the Presence of Structural Breaks” **Vitali Alexeev** (University of Guelph) and Alex Maynard (University of Guelph).
- “Fixed-b Analysis of LM Type Tests for Shift in a Mean” **Jingjing Yang** (Michigan State University).
- “Sums of Exponentials of Random Walks” **Robert de Jong** (Ohio State University).

SATURDAY, 12:00-1:30

Lunch,

Stewart Center 302 and 306.

SATURDAY, 1:30-3:15

Session 6A: Econometric Theory

Rawls 1086

Moderator: *Carlos Martins-Filho*

- “Nonstandard Estimation of Inverse Conditional Density-Weighted Expectations ” **Chuan Goh** (University of Toronto).
- “A More Efficient Local Polynomial Regression on Random-Effects Panel Data Models” **Ke Yang** (University of Hartford).
- “Nonparametric lag selection for nonlinear additive autoregressive models” Zhengfeng Guo and **Mototsugu Shintani** (Vanderbilt University).
- “Nonparametric stochastic frontier estimation via profile likelihood” **Carlos Martins-Filho** (University of Colorado and IFPRI) and Feng Yao (West Virginia University).

Session 6B: Applications of Bayesian Methods

Rawls 1057

Moderator: *Jeffrey H. Dorfman*

- “Bayesian Approach to Zero-Inflated Ordered Probit Models, with an Application” **Shiferaw Gurmu** (Georgia State University) and Getachew A. Dagne (University of South Florida).
- “Climbing the Drug Staircase: A Bayesian Analysis of the Initiation of Hard Drug Use” Anne Line Bretteville-Jensen (Norwegian Institute for Alcohol and Drug Research [SIRUS]) and **Liana Jacobi** (University of Melbourne).
- “Is the Effect of BMI on Wages the Same for Everybody?” **Brendan Kline** (Northwestern) and Justin L. Tobias (Purdue University).
- “Is Aggregation Hiding the Risk Return Tradeoff?” **Jeffrey H. Dorfman** and Myung D. Park (University of Georgia).

Session 6C: Treatment Effects and Microeconometrics

Rawls 1062

Moderator: *William C. Horrace*

- “Efficient Estimation of Average Treatment Effects under Treatment-Based Sampling” **Kyungchul Song** (University of Pennsylvania).
- “Concave-Monotone Treatment Response and Monotone Treatment Selection: With an Application to the Returns to Schooling” **Tsunao Okumura** (Yokohama National University) and Emiko Usui (Nagoya University)
- “Consistently bounding parameter values with one instrument and two endogenous explanatory variables” **Richard A. Dunn** (Texas A&M University).
- “Variety: Consumer Choice and Optimal Diversity” **William C. Horrace** (Syracuse University), Rui Huang (University of Connecticut) and Jeffrey M. Perloff (University of California-Berkeley).

Session 6D: Specification Testing

Rawls 1011

Moderator: *Yoon-Jin Lee*

- “Testing for Structural Stability in the Whole Sample” Javier Hidalgo and **Myung Hwan Seo**.
- “A Simple Test for Spurious Regression” **Daniel Ventosa-Santaularia** (Universidad de Guanajuato).
- “Specification Testing Using Eigenvalues” **Vidisha Vachharajani** (University of Illinois).
- “A Loss Function Approach to Model Specification Testing and Its Relative Efficiency to the GLR Test” Yongmiao Hong (Cornell University and Xiamen University) and **Yoon-Jin Lee** (Indiana University).

SATURDAY, 3:15-3:30

Break

SATURDAY, 3:30-5:00

Session 7B: **Microeconometrics**

Rawls 1086

Moderator: *Hoa Nguyen*

- “Quantifying Emotions: Functional Data Analysis of Facial Expressions” **Mahdi Rastad** , Lusha Zhu, Roger Koencker, Jesse Spencer-Smith and Ming Hsu (University of Illinois).
- “Semiparametric Analysis of Intergenerational Income Mobility” **Dongshuo (Toni) Sun** (University of Illinois).
- “Estimating the Fractional Response Model with an Endogenous Count Variable” **Hoa Nguyen** (Michigan State University)

Session 7C: **Applied Microeconometrics and Spatial Methods**

Rawls 1011

Moderator: *Olivier Parent*

- “Land Use Change: A Spatial Multinomial Choice Analysis” Carmen E. Carrion-Flores (University of Florida), Alfonso Flores-Lagunes (University of Florida) and **Ledia Guci** (University of Florida).
- “Quasi-Monte Carlo Experiments for Mixed Logit” **Tong Zeng** (Louisiana State University) and R. Carter Hill (Louisiana State University).
- “A Space-Time Analysis of Knowledge Production” **Olivier Parent** (University of Cincinnati).

Session 7D: **Macroeconometrics**

Rawls 1057

Moderator: *Robert F. Sarama*

- “The Real Exchange Rate and Real Interest Differentials: The Role of the Trend-Cycle Decomposition” **Tatsuma Wada** (Wayne State University).
- “Pricing Housing Market Returns” **Robert F. Sarama** (Ohio State University).