# 25TH ANNUAL MEETING OF THE MIDWEST ECONOMETRICS GROUP

**FEDERAL RESERVE BANK OF ST. LOUIS**  
**FRIDAY AND SATURDAY, OCTOBER 9-10, 2015**

Download [](./docs/MEG2015_program.pdf)  
This is a preliminary program and subject to change.

---

**Friday, October 9**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 a.m. – 8:45 a.m.</td>
<td>Introduction</td>
</tr>
<tr>
<td>8:45 a.m. – 10:30 a.m.</td>
<td>Parallels 1</td>
</tr>
<tr>
<td></td>
<td><strong>Microeconometrics 1 (Chair: Ted Juhl)</strong></td>
</tr>
<tr>
<td></td>
<td>St. Louis Room</td>
</tr>
<tr>
<td></td>
<td><strong>“Alternative Discrete Kernel Functions for Applied Density and Regression Estimation”</strong></td>
</tr>
<tr>
<td></td>
<td><em>Presenter:</em> Chi-Yang Chu (University of Alabama)</td>
</tr>
<tr>
<td></td>
<td><em>Authors:</em> Chi-Yang Chu; Daniel Henderson; Christopher Parmeter</td>
</tr>
<tr>
<td></td>
<td><strong>“Panel Data Models with Two Threshold Variables”</strong></td>
</tr>
<tr>
<td></td>
<td><em>Presenter:</em> Nelson Ramire-Rondan (Central Bank of Peru)</td>
</tr>
<tr>
<td></td>
<td><em>Authors:</em> Arturo Lamadrid-Contreras; Nelson Ramire-Rondan</td>
</tr>
<tr>
<td></td>
<td><strong>“On Estimating Partial Effects After Retransformation”</strong></td>
</tr>
<tr>
<td></td>
<td><em>Presenter:</em> Shengwu Shang (Ball State University)</td>
</tr>
<tr>
<td></td>
<td><em>Authors:</em> Shengwu Shang; Jeff M. Wooldridge</td>
</tr>
<tr>
<td></td>
<td><strong>“Slope Heterogeneity Bias in Panel Data Models Testing and Inference”</strong></td>
</tr>
<tr>
<td></td>
<td><em>Presenter:</em> Ted Juhl (University of Kansas)</td>
</tr>
<tr>
<td></td>
<td><em>Authors:</em> Murillo Campello; Antonio Galvao; Ted Juhl</td>
</tr>
</tbody>
</table>
Theory 1 (Chair: Thomas Parker)  
Kentucky Room  

“Functional autoregressive model for time series of state distributions”  
*Presenter*: Bo Hu (Indiana University)  
*Authors*: Bo Hu; Joon Park; Junhui Qian  

“Estimation of Longrun Variance of Continuous Time Process Using Discrete Sample”  
*Presenter*: Ye Lu (Indiana University)  
*Authors*: Ye Lu; Joon Park  

“Objective Bayes Factors for Model Selection”  
*Presenter*: Hamed Namavari (University of Cincinnati)  
*Authors*: Jeffrey Mills; Hamed Namavari  

“Inference for Stochastic Dominance Using Large-Deviations Asymptotics”  
*Presenter*: Thomas Parker (University of Waterloo)  
*Authors*: Thomas Parker  

Monetary Policy (Chair: Randal Verbrugge)  
Missouri Room  

“The Joint Services of Money and Credit”  
*Presenter*: Liting Su (University of Kansas)  
*Authors*: William Barnett; Liting Su  

“Forward-looking Monetary Policy, Real-time Forecasts, and the Price Puzzle”  
*Presenter*: Pavel Kapinos (FDIC)  
*Authors*: Gabriela Best; Pavel Kapinos  

“Nonlinearities, Smoothing, and Countercyclical Monetary Policy”  
*Presenter*: Laura Jackson (Bentley University)  
*Authors*: Laura Jackson; Michael Owyang; Daniel Soques
“Causes and Consequences of Long-Term Inflation Expectations”
*Presenter:* Randal Verbrugge (Federal Reserve Bank of Cleveland)
*Authors:* Carola Conces Binder; Amy Higgins; Randal Verbrugge

**VARs (Chair: John Keating)**
Tennessee Room

“Inference for VARs Identifed with Sign Restrictions”
*Presenter:* Eleonora Granziera (Bank of Canada)
*Authors:* Eleonora Granziera; Hyungsik Roger Moon; Frank Schorfheide

“Weak Inference for Dynamic Stochastic General Equilibrium Models with Time-varying Parameters”
*Presenter:* Naijing Huang (Boston College)
*Authors:* Naijing Huang

“Impulse Response Matching Estimators for DSGE Models”
*Presenter:* Atsushi Inoue (Vanderbilt University)
*Authors:* Pablo Guerron-Quintana; Atsushi Inoue; Lutz Kilian

“Asymmetric Vector Autoregressive Moving Average Models”
*Presenter:* John Keating (University of Kansas)
*Authors:* John Keating

---

**10:30 a.m. – 10:45 a.m.**
Break

**10:45 a.m. – 12:30 p.m.**
Parallels 2
Microeconometrics 2 (Chair: Valentin Verdier)
St. Louis Room

“Test of equilibrium uniqueness in discrete games with a flexible information structure”
Presenter: Mathieu Marcoux (University of Toronto)
Authors: Mathieu Marcoux

"Partial Independence in Nonseparable Models"
Presenter: Alexandre Poirier (University of Iowa)
Authors: Matthew Masten; Alexandre Poirier

"AMH copula ML estimation for the sample selection model”
Presenter: Hosin Song (Ewha Womans University)
Authors: Hosin Song

"Identification and Estimation of Peer Effects with Panel Data”
Presenter: Valentin Verdier (University of North Carolina - Chapel Hill)
Authors: Valentin Verdier

Theory 2 (Chair: Jason Blevins)
Kentucky Room

"On Standard Inference for GMM with Seeming Local Identification Failure”
Presenter: Ji Hyung Lee (University of Illinois)
Authors: Zhipeng Liao; Ji Hyung Lee

"Uniform inference on quantile treatment effects”
Presenter: Antonio Galvao (Sao Paulo School of Economics)
Authors: Sergio Firpo; Antonio Galvao

"On the Over-detection Probability of the Number of Factors”
Presenter: Jaewoo Oh (Syracuse University)
Authors: Chihwa Kao; Jaewoo Oh

"Identifying Restrictions for Finite Parameter Continuous Time Models with Discrete Time Data”
Presenter: Jason Blevins (The Ohio State University)
Authors: Jason Blevins

Macro Modeling (Chair: Regina Martinez)
Missouri Room

"Nonlinearities in the U.S. Wage Phillips Curve"
Presenter: Luiggi Donayre (University of Minnesota)
Authors: Luiggi Donayre; Irina Panovska

"Bifurcation of Macroeconometric Models and Robustness of Dynamical Inferences"
Presenter: Guo Chen (University of Kansas)
Authors: William Barnett; Guo Chen

"Monetary-Fiscal interaction with endogenous regime change"
Presenter: Boreum Kwak (University of Indiana)
Authors: Yoosoon Chang; Boreum Kwak; Eric Leeper

"Revisiting "The Myth of Economic Recovery" a Multivariate Approach"
Presenter: Regina Martinez (George Washington University)
Authors: Regina Martinez

Financial Modeling (Chair: Xiaming Zeng)
Tennessee Room

"The Information Content of Equity Derivatives Theory and Empirics"
Presenter: Davide Avino (Swansea University)
Authors: Davide Avino; Andrei Stancu; Chardin Wese Simen

"Asymptotic Theory Of Myopic Loss Aversion: Applications To Intolerance for Decline in Standard Of Living and Asset Pricing"
Presenter: G. Charles Cadogan
(University of Cape Town)
Authors: G. Charles Cadogan
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>12:30 p.m. – 1:30 p.m.</td>
<td>Lunch</td>
</tr>
<tr>
<td>1:30 p.m. – 3:15 p.m.</td>
<td>Parallels 3</td>
</tr>
<tr>
<td></td>
<td>Microeconometrics 3 (Chair: Daiqiang Zhang)</td>
</tr>
<tr>
<td></td>
<td>St. Louis Room</td>
</tr>
<tr>
<td></td>
<td>“A Framework for Eliciting, Incorporating, and Disciplining Identification Beliefs in Linear Models”</td>
</tr>
<tr>
<td></td>
<td>Presenter: Francis DiTraglia (University of Pennsylvania)</td>
</tr>
<tr>
<td></td>
<td>Authors: Francis DiTraglia; Camilo Garcia-Jimeno</td>
</tr>
<tr>
<td></td>
<td>“Nonparametric Identification of a Time-Varying Frailty Model”</td>
</tr>
<tr>
<td></td>
<td>Presenter: Georgios Effraimidis (University of Southern California)</td>
</tr>
<tr>
<td></td>
<td>Authors: Georgios Effraimidis</td>
</tr>
<tr>
<td></td>
<td>“Local Measures of Intergenerational Mobility of Income, Cognitive, and Noncognitive Skills”</td>
</tr>
<tr>
<td></td>
<td>Presenter: Andros Kourtellos (University of Cyprus)</td>
</tr>
<tr>
<td></td>
<td>Authors: Andros Kourtellos; Christa Marr; Chih Ming Tan</td>
</tr>
<tr>
<td></td>
<td>“Identification and Estimation of A Dynamic Cost-Based Contract Model, with an Application to Transport Procurement Contracts in France”</td>
</tr>
<tr>
<td></td>
<td>Presenter: Daiqiang Zhang (Texas A&amp;M)</td>
</tr>
</tbody>
</table>
“Mixture Models with Spatial Dependency”
Presenter: Gary Cornwall (University of Cincinnati)
Authors: Gary Cornwall

“Asymptotics for Estimators dating the Origination and Collapse of an Asset Price Bubble”
Presenter: Mohitosh Kejriwal (Purdue University)
Authors: Mohitosh Kejriwal; Pierre Perron

“A Perturbation Approach to Filtering Hidden States”
Presenter: Natalia Sizova (Rice University)
Authors: Ivana Komunjer; Natalia Sizova

“Regime switching model with endogenous autoregressive latent factor”
Presenter: Yoosoon Chang (Indiana University)
Authors: Yoosoon Chang; Yongok Choi; Joon Park

“Early Warning for Financial Stress Events A Credit-Regime Switching Approach”
Presenter: Fuchun Li (Bank of Canada)
Authors: Fuchun Li; Hong Xiao

“PE Ratios and the Risk Taking Channel of Monetary Policy”
Presenter: Eric Olson (West Virginia University)
Authors: Jack Dorminey; Eric Olson; Mark Wohar
Presenter: Pavel Kapinos (FDIC)
Authors: Vivian Hwa; Pavel Kapinos; Carlos Ramirez

Real and Financial Linkages (Chair: Paul Jones)
Tennessee Room

“Reconsidering the Finance-Growth Nexus A Semiparametric Approach”
Presenter: Deniz Baglan (Howard University)
Authors: Deniz Baglan

“A Reexamination of Stock Returns, Interest Rates, Real Activity, and Inflation: Evidence from a Large Dataset”
Presenter: Paul Jones (Pepperdine University)
Authors: Paul Jones; Eric Olson; Mark Wohar

“The Stock Market and Real Economy A Bayesian Nonparametric Approach”
Presenter: Qiao Yang (University of Toronto)
Authors: Qiao Yang

“Changes in the behaviour of and the relationship between short-term interest rate, inflation and growth: Evidence from the UK, 1820-2014”
Presenter: Mark Wohar (University of Nebraska at Omaha)
Authors: Erdenebat Bataa; Andrew Vivian; Mark Wohar

3:15 p.m. – 3:30 p.m.  Break

3:30 p.m. – 5:15 p.m.  Parallels 4
Treatment Effects (Chair: Ke-Li Xu)
St. Louis Room

“Constructing Robust Confidence”
Intervals for Regression Discontinuity Designs with Clustered Sampling”
Presenter: Otavio Camargo-Bartalotti (Iowa State University)
Authors: Quentin Brummet; Otavio Camargo-Bartalotti

“Testing for Rank Invariance or Similarity in Program Evaluation: The effect of Training on Earnings Revisited”
Presenter: Yingying Dong (University of California Irvine)
Authors: Yingying Dong; Shu Shen

“Simple Local Regression Distribution Estimators with an Application to Manipulation Testing”
Presenter: Xinwei Ma (University of Michigan)
Authors: Matias Cattaneo; Michael Jansson; Xinwei Ma

“Regression discontinuity with categorical outcomes”
Presenter: Ke-Li Xu (Texas A&M University)
Authors: Ke-Li Xu

Inference (Chair: Rehim Kilic)
Kentucky Room

“Testing Spatial Regression Models Under Nonregular Conditions”
Presenter: Sheena Yu-Hsien Kao (University of Illinois)
Authors: Anil Bera; Sheena Yu-Hsien Kao

“Bayesian and frequentist tests of sign equality and other non-convex, nonlinear inequalities”
Presenter: David Kaplan (University of Missouri)
Authors: David Kaplan

“Testing Regressor Exogeneity using Many Covariates”
Presenter: Jason Parker (Michigan State
“Robust Inference for Predictability in Smooth Transition Predictive Regressions”
Presenter: Rehim Kilic (US Treasury)
Authors: Rehim Kilic

Macro Shocks (Chair: Molin Zhong)
Missouri Room

“Testing the Fiscal Theory in the Frequency Domain”
Presenter: Fei Tan (Saint Louis University)
Authors: Fei Tan

Presenter: Danilo Leiva-Leon (Central Bank of Chile)
Authors: Maximo Camacho; Danilo Leiva-Leon; Gabriel Perez-Quiros

“The Dynamic Effects of Forward Guidance Shocks”
Presenter: Andrew Smith (Federal Reserve Bank of Kansas City)
Authors: Brent Bundick; Andrew Smith

“A New Approach to Identifying the Real Effects of Uncertainty Shocks”
Presenter: Molin Zhong (University of Pennsylvania)
Authors: Minchul Shin; Molin Zhong

Financial Predictability (Chair: David Rapach)
Tennessee Room

“Driven by Fear The Tail Risk Premium in the Crude Oil Futures Market”
Presenter: Reinhard Ellwanger (European University Institute)
Authors: Reinhard Ellwanger
“Equity Premium Puzzle in High-Income and Developing Countries: An Empirical Approach with Disasters”  
*Presenter*: Jaroslav Horvath (The Ohio State University)  
*Authors*: Jaroslav Horvath

“The role of jumps in volatility spillovers in foreign exchange markets: meteor shower and heat waves revisited”  
*Presenter*: Christopher Neely (Federal Reserve Bank of St. Louis)  
*Authors*: Jerome Lahaye; Christopher Neely

“Industry Interdependencies and Cross-Industry Return Predictability”  
*Presenter*: David Rapach (Saint Louis University)  
*Authors*: David Rapach; Jack Strauss; Jun Tu; Guofu Zhou

5:15 p.m. – 6:15 p.m.  
Reception

6:15 p.m.  
“Complete Subset Regressions: Model Averaging with Many Weak Predictors”  
Dinner with Guest Speaker Graham Elliott (UCSD)

Saturday, October 10

8:45 a.m. – 10:30 a.m.  
Parallels 5  
Topics in Micro Data 1 (Chair: Bruce Meyer)  
St. Louis Room

*Presenter*: Evan Totty (Purdue University)  
*Authors*: Evan Totty

“Trouble in the Tails? Earnings Non-Response and Response Bias across the Distribution”  
*Presenter*: Christopher Bollinger
"Bias from Unit Non-Response in the Measurement of Income in Household Surveys"

**Presenter:** Bruce Meyer (University of Chicago)

**Authors:** C. Adam Bee; Graton Gathright; Bruce Meyer

"Simple Robust Tests for the Specification of High-Frequency Predictors of a Low-Frequency Series"

**Presenter:** J. Isaac Miller (University of Missouri)

**Authors:** J. Isaac Miller

"Nonlinear Granger Causality Between Exchange Rates and Real Consumption Spending: A Further Development of Cross Validation Causality Analysis"

**Presenter:** Rick Ashley (Virginia Polytechnic Institute and State University)

**Authors:** Rick Ashley; Mark Wohar

"Comparing Nested Predictive Regression Models with Persistent Predictors"

**Presenter:** Tae-Hwy Lee (University of California, Riverside)

**Authors:** Yan Ge; Tae-Hwy Lee; Michael McCracken

"A simple block bootstrap for asymptotically normal out-of-sample test statistics"

**Presenter:** Gray Calhoun (Iowa State University)

**Authors:** Gray Calhoun

Business Cycles (Chair: Daniel Soques)

Missouri Room
“Explaining Volatility of Hours through Labor Demand Differences by Gender”
Presenter: Amy Guisinger (George Washington University)
Authors: Amy Guisinger

“Business Cycle Asymmetries and Slow Recoveries in Labor Markets”
Presenter: Irina Panovska (Lehigh University)
Authors: Irina Panovska

“Regional Banking Shocks and Activity: Evidence from Argentinean Regions.”
Presenter: Emiliano Luttini (Banco Central de Chile)
Authors: Emiliano Luttini

“Business Cycles Across Space and Time”
Presenter: Daniel Soques (University of North Carolina, Chapel Hill)
Authors: Neville Francis; Michael Owyang; Daniel Soques

Identification in Games (Chair: Ruli Xiao)
Tennessee Room

“Nonparametric Identification and Estimation of Double Auctions with Bargaining”
Presenter: Huihui Li (Pennsylvania State University)
Authors: Huihui Li; Nianqing Liu

“Nonparametric Identification and Testing in First-Price Auctions with Asymmetric Bidders”
Presenter: Zheng Li (Texas A&M University)
Authors: Yonghong An; Zheng Li

“Identifying power of the Nash-assumption in a linear entry game”
Presenter: Peter Toth (University of Texas at Austin)
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:30 a.m. – 10:45 a.m.</td>
<td>Break</td>
</tr>
<tr>
<td>10:45 a.m. – 12:00 p.m.</td>
<td>Parallels 6 Topics in Micro Data 2 (Chair: Marie-Helene Felt) St. Louis Room</td>
</tr>
<tr>
<td></td>
<td>“Retail Payment Innovations and Cash Usage Accounting for Attrition Using Refreshment Samples” Presenter: Marie-Helene Felt (Carleton University) Authors: Heng Chen; Marie-Helene Felt; Kim Huynh</td>
</tr>
<tr>
<td></td>
<td>“Positive Mental Health and its determinants in Urban India” Presenter: Bidisha Chakraborty (Jadavpur University) Authors: Bidisha Chakraborty; Piyali Dasgupta; Siddhartha Mitra</td>
</tr>
<tr>
<td></td>
<td>“Canadian households' payment habits: 'Partnering up' aggregated household data and individual data” Presenter: Marie-Helene Felt (Carleton University) Authors: Marie-Helene Felt</td>
</tr>
<tr>
<td></td>
<td>Forecast 2 (Chair: Mehmet Pasaogullari) Kentucky Room</td>
</tr>
<tr>
<td></td>
<td>“The Role of Inflation Expectations, Core Inflation, and Slack in Real-Time Inflation Forecasting” Presenter: Kundan Kishor (University of Wisconsin-Milwaukee) Authors: Kundan Kishor; Evan Koenig</td>
</tr>
<tr>
<td></td>
<td>“Nowcasting BRICS+M in Real Time”</td>
</tr>
</tbody>
</table>
Presenter: Garima Vasishtha (Bank of Canada)
Authors: Tatjana Dahlhaus; Justin-Damien Guenette; Garima Vasishtha

“Forecasts from reduced-form models under the zero lower bound constraint”
Presenter: Mehmet Pasaogullari (Federal Reserve Bank of Cleveland)
Authors: Mehmet Pasaogullari

Volatility (Chair: Todd Prono)
Missouri Room

“Forecasting Crude Oil Price Volatility”
Presenter: Ana Maria Herrera (University of Kentucky)
Authors: Ana Maria Herrera; Liang Hu; Daniel Pastor

“Improving Forecasts from Markov Switching Models using Realized Variance”
Presenter: Jia Liu (McMaster University)
Authors: Jia Liu; John Maheu

“Reconsidering Instrumental Variables Estimators for ARCH Processes”
Presenter: Todd Prono (American University)
Authors: Todd Prono

Quantiles (Chair: Chuan Goh)
Tennessee Room

“Quantile Treatment Effects in Difference in Differences Models with Panel Data”
Presenter: Brantly Callaway (Vanderbilt University)
Authors: Brantly Callaway; Tong Li

“Within-group Estimators for Fixed Effects Quantile Models with Large N and Large T”
Presenter: Heng Chen (Bank of Canada)
**Authors:** Heng Chen

**“Quantile-Regression Inference With Adaptive Control of Size”**  
*Presenter:* Chuan Goh (University of Wisconsin-Milwaukee)  
*Authors:* Juan Carlos Escanciano; Chuan Goh

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>12:00 p.m. – 1:00 p.m.</td>
<td>Lunch</td>
</tr>
</tbody>
</table>
| 1:00 p.m. – 2:15 p.m. | Parallels 7  
Semiparametrics *(Chair: Byoung Park)*  
St. Louis Room  
**“Semiparametric Estimation and Testing of Smooth Coefficient Spatial Autoregressive Models”**  
*Presenter:* Emir Malikov (St. Lawrence University)  
*Authors:* Emir Malikov; Yiguo Sun  
**“Square-root-N consistent estimator of the intercept of a sample selection model”**  
*Presenter:* Byoung Park (SUNY at Albany)  
*Authors:* Byoung Park  
Forecast 3 *(Chair: Brad Speigner)*  
Kentucky Room  
**“Real Time Monitoring for Abnormal Events: the Case of Influenza Outbreaks”**  
*Presenter:* Yao Rao (The University of Liverpool)  
*Authors:* Brendan McCabe; Yao Rao  
**“Diffusion Index Forecasts and Factor-Augmented Regressions in Nonstationary Time Series”**  
*Presenter:* Shulin Shen (Syracuse University)  
*Authors:* Chihwa Kao; Shulin Shen  
**“Nonlinear Unemployment Dynamics Disaggregated by Duration”**  
*Presenter:* Brad Speigner (Bank of
Authors: Brad Speigner

International (Chair: AKM Mahbub Morshed)
Missouri Room

“Reduced Form and Structural Models in Productivity Analysis”
Presenter: Binlei Gong (Rice University)
Authors: Binlei Gong

“Is China’s Monetary Policy Constrained by its Foreign Exchange Interventions? A Structural Perspective”
Presenter: Hao Jin (Indiana University Bloomington)
Authors: Hao Jin; Fei Tan

“Unconditional Convergence of Labor Productivity in the Service Sector”
Presenter: AKM Mahbub Morshed (Southern Illinois University Carbondale)
Authors: Bisrat Kinfemichael; AKM Mahbub Morshed

Microeconometrics 4 (Chair: Wei Lin)
Tennessee Room

“Measurement Errors in Quantile Regression Models”
Presenter: Suyong Song (University of Iowa)
Authors: Sergio Firpo; Antonio Galvao; Suyong Song

“Control Function Approach in Two-Step Sieve M-estimation of Binary Response Models with Endogenous Explanatory Variables”
Presenter: Wei Lin (Michigan State University)
Authors: Wei Lin