

Sixth Annual Missouri Economics Conference
March 31 and April 1, 2006
University of Missouri-Columbia
Hosted by:
The Department of Economics at the University of Missouri-Columbia,
the Research Division of the Federal Reserve Bank of St. Louis,
and the Research Division of the Federal Reserve Bank of Kansas City

- All sessions are in the Memorial Union
- Only presenting authors are listed on this program.
- Registration Table in Memorial Union South – Second Floor Lobby

FRIDAY, MARCH 31ST, 2006

Continental Breakfast – 8:00 a.m. (adjacent to Registration Table)

Concurrent Session I – 9 a.m.-11 a.m.

A: Room S-203 Banking Regulation

"Branch Deregulation in the U.S. Banking System"
Jorge Guillén (West Virginia University)

"U.S. Banking Deregulation and Self-employment: Discrimination and Inequality"
Yuliya Demyanyk (University of Houston)

"Could Federal Reserve Offsite Surveillance of Community Bank Interest Rate Risk Improve by Incorporating a Profitability Model?"
Andrew Foust (Washington University in St. Louis)

"Bank Equity and Monitoring with and without Capital Regulation"
David VanHoose (Baylor University)

B: Room S-204 Inflation and Monetary Policy

"Monetary Stagflation and Regime Changes"
Edward S. Knotek II (Federal Reserve Bank of Kansas City)

"Worldwide Macroeconomic Stability and Monetary Policy Rules"
Aarti Singh (Washington University in St. Louis)

C: Room S-206 Econometrics

"Exact Split-sample Permutation Tests of Orthogonality and Random Walk in the Presence of a Drift Parameter"
Richard Luger (Emory University)

"A Random Coefficients Autoregressive Model with Exogenously-driven Stochastic Unit Roots"
J. Isaac Miller (University of Missouri-Columbia)

"Estimation of Time-varying Hedge Ratio: Flexible Bivariate GARCH Approaches"
Sang Y. Jei (University of Missouri-Columbia)

"Using Parameter Instability to Test Exogeneity"
John W. Keating (University of Kansas)

D: Room S-207 Microeconomic Policy

"Changes in Transportation Fare Structures: The Demand for Mass Transit in New York City"
Kimberley Piro (Washington University in St. Louis)

"No Smoking at the Slot Machines: The Effect of a Smoke-free Law on Delaware Gaming Revenues"
Michael R. Pakko (Federal Reserve Bank of St. Louis)

"The Changing Structure of the Nonfederal Hydroelectric Power Industry"
Lea-Rachel D. Kosnik (University of Missouri-St. Louis)

Refreshment Break – Coffee, Juice, Tea, Soda – 11 a.m.-11:30 a.m. (adjacent to Registration Table)

Concurrent Session II – 11:30 a.m.-1:30 p.m.

A: Room S-203 Foreign Exchange and Asymmetries

"An Analysis on Firm-level FDI in Korea around the Asian Financial Crisis: The Role of Investors' Information"
Ronald Ratti (University of Missouri-Columbia)

"Foreign Exchange Rates Don't Follow a Random Walk"
Hui Guo (Federal Reserve Bank of St. Louis)

"The Asymmetric Exposure of Small U.S. Firms to Drops in the Dollar"
Steve Johnson (University of Northern Iowa)

"Asymmetric Information and the Mode of Entry in Foreign Credit Markets"
Eric Van Tassel (Florida Atlantic University)

B: Room S-204 Prices and Macroeconomic Policy

"The Changing Relationship between Canadian Goods and Services Prices: Macroeconomic Policies and Pricing Responses"
Raphael Solomon (Bank of Canada)

"The Role of Consumer's Risk Aversion on Price Rigidity"
Sergio A. L. Alves (Central Bank of Brazil)

"Heterogeneous Price Stickiness Across Consumption Goods and the Relative Price and Quantity Effects of Monetary Shocks"
David E. Rapach (Saint Louis University)

"Real Rigidities and Nominal Price Changes"
Jonathan L. Willis (Federal Reserve Bank of Kansas City)

C: Room S-206 Financial Markets

"Robustifying Shiller: Do Stock Prices Move Enough to Be Justified by Subsequent Changes in Dividends?"
Kurt F. Lewis (University of Iowa)

"The Microstructure of Bond Market Tatonnement"
Christopher J. Neely (Federal Reserve Bank of St. Louis)

"Autoregressive Conditional Density Estimation of Intraday Returns and NYSE Rule 80A"
A. Tolga Ergün (Suffolk University)

D: Room S-207 Labor

"Immigration, Firm Relocation and Welfare of Domestic Workers"
Alexandre Skiba (University of Kansas)

"Outsourcing and Wage Inequality"
Kuang-Chung Hsu (Texas A&M University)

"Mobility, Pay, and Research Productivity of Economics Faculty in the Midwest-A Longitudinal Analysis"
James F. Ragan, Jr. (Kansas State University)

E: Room S-110 Development

"Communicating the Logic of HIPC Initiative in Ghana: Lessons in Economic Literacy"
Joseph Fosu (Western Illinois University)

"Financial Sector Development Alone Does Not Benefit the Poor; However, Institutional Development Does"
Jonathan Levine (Washington University in St. Louis)

"Water Privatization and Infant Mortality in the Developing World and the Middle East"
Maya Katrien Buchanan (Washington University in St. Louis)

*"Crop-Livestock Integration among Smallholder Farmers in the Western Highlands of Cameroon:
A Socio-economic Analysis and Perspectives"*
Ofeh M. A. (University of Dschang)

Lunch Break – Box Lunch – 1:30 p.m.-2:30 p.m.
(Stotler III Room N-103) Name Tag admits you to lunch.

Concurrent Session III – 2:30 p.m.-4:30 p.m.

A: Room S-203 Economic Integration

"Stock Market Liberalization and International Risk Sharing"
Shu Wu (University of Kansas)

"Financial Innovations and Systemic Risk: In Search of an Ever-elusive Global Super Central Bank"
Rabi N. Mishra (Harvard University)

"Volatility Spillover Effects on Government Bond Yield Spreads in Euro Zone"
Faruk Balli (University of Houston)

B: Room S-204 Optimal Monetary Policy

"Inflation Risk and Optimal Policy"
Benjamin D. Keen (University of Oklahoma)

"Generalizing the Taylor Principle"
Troy Davig (Federal Reserve Bank of Kansas City)

"Optimal Monetary Policy with Hidden Effort"
Joseph H. Haslag (University of Missouri-Columbia)

"Intermediate Frictions and Price Stability"
Francesco Ruscitti (Purdue University)

C: Room S-206 Monetary Policy Empirics

"The Daily Liquidity Effect Revisited"

Daniel L. Thornton (Federal Reserve Bank of St. Louis)

"Predictions of Short-term Rates and the Expectations Hypothesis of the Term Structure of Interest Rates"

Daniel Thornton presenting for Massimo Guidolin (Federal Reserve Bank of St. Louis)

"Do Asymmetric Central Bank Preferences Help Explain Observed Inflation Outcomes?"

Matthew Doyle (Iowa State University)

"Explaining the Long-term Treasury Yield: A Critical Look at Alan Greenspan's 'Conundrum'"

Rajeev D. Jahagirdar (Washington University in St. Louis)

D: Room S-207 Bureaucrats, Households, and Idols

"Corruption and Growth: Under Weak Identification"

Philip Shaw (University of Connecticut)

"American Idol: Evidence of Same-race Preferences?"

Jungmin Lee (University of Arkansas)

"Microfinance and Missing Markets"

AKM Mahbub Morshed* (Southern Illinois University)

"Interlinked Interactions of People, Politicians, and Bureaucrats"

Basharat A. Pitafi (Southern Illinois University)

E: Room S-110 Household Savings and Financial Development

"Informational Assumptions on Income Processes and Consumption in the Buffer Stock Model of Savings"

Dmytro Hryshko (University of Houston)

"Risk-sharing over the Life Cycle under Limited Enforcement"

Drew Saunders (Purdue University)

"Bank Lending Channel in Developing Countries: The Case of Columbia"

Cesar Corredor (University of Texas at Tyler)

Refreshment Break – Coffee, Tea, Soda – 4:30 p.m.-5:00 p.m. (adjacent to Registration Table)

Plenary Speaker I – 5:00 p.m.-6:00 p.m. (Stotler I, Room N-101)

"Knowledge Creation as a Square Dance on the Hilbert Cube"

Professor Marcus Berliant (Washington University in St. Louis)

Happy Hour – 6:00 p.m. (Reynolds Alumni Center, Ballroom A&B)

Dinner – 7:30 p.m. (Reynolds Alumni Center, Greatroom)

Check in at the table outside the Greatroom to get your dinner entrée card.

SATURDAY, APRIL 1ST, 2006

Continental Breakfast – 8:30 a.m. (adjacent to Registration Table)

Plenary Speaker II – 9:30 a.m.-10:30 a.m. (Stotler I, Room N-101)

"The Simple Analytics of Informed Finance"

Professor Daniel Bernhardt (University of Illinois)

Refreshment Break – Coffee, Juice, Tea, Soda – 10:30 a.m. – 10:45 a.m. (adjacent to Registration Table)

Concurrent Session IV – 10:45 a.m.-12:45 p.m.

A: Room S-203 International Macroeconomics

"Targeting Inflation and the Fiscal Balance: What Is the Optimal Policy Mix?"

Marcela Meirelles Aurélio (Federal Reserve Bank of Kansas City)

"Fixed Exchange Rates and Disinflation in Emerging Markets: How Large Is the Effect?"

William Miles (Wichita State University)

"Distribution Costs and International Business Cycles"

Rajesh Singh (Iowa State University)

"Inflation Targeting, Learning and Q Volatility in Small Open Economies"

Paul D. McNelis (Fordham University)

B: Room S-204 Macro Growth Models

"Public and Private Expenditures on Health in a Growth Model"

Xue Qiao (Iowa State University)

"Rising Wages and the Growth of the U.S. Economy"

Mariano Alierta

"Indeterminacy, Adverse Reactions to Interest Rate Shocks and the Great Inflation of the 1970s"

Michael J. Dueker (Federal Reserve Bank of St. Louis)

C: Room S-206 Macroeconomic Forecasting and Business Cycle Empirics

"Forecasting Employment Growth in the Fifty U.S. States with Many Potentially Relevant Predictors :An Analysis of Forecast Combining Methods"

Jack K. Strauss (Saint Louis University)

"Slow Transitions between Business Cycle Phases: A Bayesian Perspective on Jobless Recoveries"

Kristie M. Engemann (Federal Reserve Bank of St. Louis)

"A State-level Analysis of the Great Moderation"

Michael T. Owyang (Federal Reserve Bank of St. Louis)

"Forecasts of Inflation in Brazil"

Tomie Sugahara (Central Bank of Brazil)

D: Room S-207 Microeconomic Mix

"New Insights in the Determinants of Regional Variation in Bankruptcy Filing Rates"

Kelly D. Edmiston (Federal Reserve Bank of Kansas City)

"Internet Banking: An Exploration in Technology Diffusion and Impact"

Jointly presented by Richard Sullivan and Zhu Wang (Federal Reserve Bank of Kansas City)

"Measuring Benefits of Forest Conservation for Groundwater and Marine Resources in Hawaii"

Basharat A. Pitafi (Southern Illinois University)

Box Lunch and Adjournment – 12:45 p.m.-1:30 p.m.

(Stotler Lounge III Room N-103) Name Tag admits you to lunch.