

# Missouri Economics Conference

April 5-6, 2002

University of Missouri-Columbia

Schedule as of March 15

Friday, April 5, 2002

**8:00 a.m. Continental Breakfast**

**8:30 a.m. Session 1**

- Session 1.A “Effects of Old-Age Insurance on Female Retirement: Evidence From Cross-Country Time-Series Data” by Richard Johnson, Federal Reserve Bank of Kansas City  
“Fat and Happy?” by Heather Bednarek, St. Louis University and Rowena A. Pecchenino, Michigan State University  
“Pricing and Vertical Control Policies for a Vertically Integrated Upstream Monopolist when Sabotage is Costly” by David Mandy, University of Missouri
- Session 1.B “Some Aspects of the Unit-Root Testing Methodology With Application to Real GDP of 18 OECD Countries” by Amit Sen, University of Missouri-Rolla  
“Consistent Testing for Structural Change at the Ends of the Sample” by Michael W. McCracken, University of Missouri-Columbia  
“Identification of Coefficients in a Quadratic Moving Average Process Using the Generalized Method of Moments” by Richard A. Ashley, Virginia Tech
- Session 1.C “Steam Engines of Credit: The Role of Banks in Switzerland’s Economic Development, 1850-1913” by Daniel C. Giedeman, Grand Valley State  
“Inflation, Growth and Exchange Rate Regimes in Small Open Economies” by Paula L. Hernandez-Verme, University of Texas-Austin  
“Unemployment-Output Trade-Off in Transition Economies: Does Okun’s Law Apply?” by Alexei Izyumov, University of Louisville

**10:30 a.m. Break**

**11:00 a.m. Session 2**

- Session 2.A “Can Time-Varying Risk Premiums Explain the Anomaly in Currency Markets? — Some Evidence From the Term Structure of Interest Rates” by Shu Wu, University of Kansas  
“Portfolio Insurance and the Crash of 1987” by Manoj Dalvi, Long Island University  
“Understanding the Risk-Return Tradeoff in the Stock Market” by Hui Guo, Federal Reserve Bank of St. Louis
- Session 2.B “Scale Economies and Geographic Diversification as Sources of Risk Reduction in Community Bank Mergers” by R. Alton Gilbert, Federal Reserve Bank of St. Louis  
“Debt, Foreign Ownership of Capital, and Debt Forgiveness” by Pham Hoang Van, University of Missouri-Columbia  
“Ownership Structure and the Lemons Problem in Capital Markets” by Vahe Lskavyan, Washington University

## Friday, April 5, 2002 (continued)

Session 2.C “Testing the Expectations Hypothesis: Some New Evidence” by Daniel L. Thornton, Federal Reserve Bank of St. Louis  
“Interpreting Permanent Shocks to Inflation when Monetary Policy Reacts to Supply Shocks” by John Keating, University of Kansas  
“Functional Coefficient Models Under Unit Root Behavior” by Ted Juhl, University of Kansas

Session 2.D “Credible Monetary Policy When Output is Persistent: Exchange Rate and Nominal Income Targeting” by Ronald Ratti, University of Missouri-Columbia  
“Trade, Investment and Borrowing in Two-Country Business Cycle Models” by Michael Pakko, Federal Reserve Bank of St. Louis  
“Why Can’t We Predict Exchange Rates with Monetary Fundamentals?” by Christopher Neely, Federal Reserve Bank of St. Louis

**1:00 p.m. Lunch**

**2:30 p.m. Session 3**

Session 3.A “The Economics of Labor Adjustment: Mind the Gap” by Jonathan L. Willis, Federal Reserve Bank of Kansas City  
“Seasonality, Annual Factory Retooling, and Production Smoothing in the U.S. Automobile Industry” by Yong Weng, Banc of American Capital Management  
“Coyote Crossings: The Role of Smugglers in Illegal Immigration and Border Enforcement” Joseph H. Haslag, University of Missouri-Columbia

Session 3.B “Exchange Rate Pass-Through in U.S. Manufacturing: Exchange Rate Index Choice and Asymmetry Issues” by Patricia S. Pollard, Federal Reserve Bank of St. Louis  
“FDI, Openness and Income” by Ting Gao, University of Missouri-Columbia  
“Endogenous Multiple Currencies” by Antoine Martin, Federal Reserve Bank of Kansas City

Session 3.C “Reconsidering Convergence Rate to Purchasing Power Parity: Structural Error Correction Model Approach” by Jaebeom Kim, University of St. Thomas  
“The Effect of Monetary Policy on Economic Output in Six Industrialized Countries” by R. W. Hafer and Garrett Jones, Southern Illinois University-Edwardsville, and Joseph Haslag, University of Missouri-Columbia.  
“A Panel Cointegration Model of the Demand for the Monetary Base in the United States and Canada” by Richard Anderson and Robert Rasche, Federal Reserve Bank of St. Louis and Hailong Qian, St. Louis University.

Session 3.D “Have Employment Reductions Become Good News for Shareholders? The Effect of Job Loss Announcements on Stock Prices, 1970-97” by Kevin Hallock, University of Illinois  
“Wage and Productivity Dispersion in U.S. Manufacturing: The Role of Computer Investment” by Kenneth Troske, University of Missouri-Columbia  
“Team Incentives and Worker Heterogeneity: An Empirical Analysis of the Impact of Teams on Productivity and Participation” by Bart Hamilton, Washington University

**4:30 p.m. Break**

- 5:00 p.m.**      **President Thomas Hoenig, Federal Reserve Bank of Kansas City, plenary talk**
- 6:00 p.m.**      **Reception**
- 7:00 p.m.**      **Dinner**

## Saturday, April 6, 2002

**8:30 a.m. Continental Breakfast**

**9:00 a.m. Professor John Geweke, University of Iowa, plenary talk**

**10:00 a.m. Break**

**10:15 a.m. Session 4**

- Session 4.A “Money as Real Options in a Cash-in-Advance Economy” by David R. Stockman, University of Delaware  
“Money, Credit and International Comovement” by Yi Jin, University of Kansas  
“The Demand for Money in a Non-Aggregate Stochastic General Equilibrium Model” by Pedro J. Gutierrez, Universidad de Valladolid
- Session 4.B “Capital Waste in the Public Sector: Causes and Implications” by Yisheng Bu, Indiana University  
“Stochastic Capital Depreciation and the Comovement of Hours and Productivity” by Michael J. Dueker, Federal Reserve Bank of St. Louis  
“Indeterminacy, Aggregate Demand, and the Real Business Cycle” by Yi Wen, Cornell University
- Session 4.C “The Persistence in International Tax-Adjusted Real Interest Rates” by Mark E. Wohar, University of Nebraska-Omaha  
“A Markov-Switching Model of Business Cycle Dynamics with a Post-Recession ‘Bounce-Back’ Effect” by Jeremy Piger, Federal Reserve Bank of St. Louis  
“Modeling Volcker as a Non-Absorbing State: Agnostic Identification of a Markov Switching VAR” by Michael Owyang, Federal Reserve Bank of St. Louis
- Session 4.D “The Relationship Between Wage Levels and Wage Growth” by Tricia Gladden, University of Missouri-Columbia  
“Job Stability for Welfare Recipients: An Approach Based on Matching Job Spells” by Peter R. Mueser, University of Missouri-Columbia  
“Teacher Mobility, Pay, and Academic Quality” by Michael Podgursky, University of Missouri-Columbia

**12:00 p.m. Lunch**