Fifth Annual Missouri Economics Conference
April 1-2, 2005
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
Registration Table in Memorial Union South – Second Floor Lobby

FRIDAY, APRIL 1, 2005

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

Concurrent Session I – 8:30 a.m.-10:30 a.m.

A: Room S-204 [Time Series Econometrics / Forecasting]

“Forecasting with Weakly Nested Models”
Todd Clark (Federal Reserve Bank of Kansas City), Michael McCracken (University of Missouri)*

“Predictions of Short-Term Rates and the Expectations Hypothesis of the Term-Structure of Interest Rates”
Daniel Thornton (Federal Reserve Bank of Saint Louis)

“Detecting and Predicting Forecast Breakdowns”
Raffaella Giacomini (University of California Los Angeles), Barbara Rossi (Duke University)*

“Intrinsic Bayesian Estimation of VAR Impulse Responses”
Shawn Ni (University of Missouri)*, Dongchu Sun (University of Missouri), Xiaoqian Sun (University of Missouri)

B: Room S-206 [Growth]

“Accounting for IQ: A Naive Calibration”
Garett Jones (Southern Illinois University - Edwardsville)

“Female Human Capital Inequality, Infant Mortality and Growth”
Petia Stoytcheva (Louisiana State University)

“Optimal Technology and Development”
Hernan Moscoso Boedo (University of Wisconsin)

“Growth and Income Inequality in a Monetary Model”
Yi Jin (University of Kansas)*, Zhixiong Zeng (Chinese Department of Hong Kong)

C: Room S-110 [Public Economics]

"Optimal Taxation and the Property Tax"
Saku Aura (University of Missouri)*, Thomas Davidoff (UC Berkeley)
“Interest Group Battle Choice: When is it Time to Pick a Fight?”
Lea-Rachel Kosnick (University of Missouri - Saint Louis)

"Sex, Money and Power: Market Reaction to a Sudden Change in Political Leadership"
Jeff Milyo (University of Missouri)*, Scott Smart (Indiana University)

“Does Local Government Fragmentation Affect Economic Growth”
Bryan Bezold (Saint Louis Regional Chamber and Growth Association)

D: Room S-207 [Monetary Policy]

“Using Extraneous Information to Analyze Monetary Policy in Transition Economies”
William Gavin (Federal Reserve Bank of Saint Louis)*, David Kemme (University of Memphis)

“Institutions, Arrangements and Preferences for Inflation Stability: Evidence and Lessons from a Panel Data Analysis”
Stefan Krause (Emory University)*, Fabio Mendez (University of Arkansas)

“Testing Commitment Models of Monetary Policy: Evidence from OECD Economies”
Matthew Doyle (Iowa State University)*, Barry Falk (Iowa State University)

“Accommodation and the Taylor Rule”
Norman Obst (Michigan State University)

Refreshment Break – Coffee, Juice, Tea, Soda – 10:30 a.m.-11:00 a.m. (adjacent to Registration Table)

Concurrent Session II – 11:00 a.m.-1:00 p.m.

A: Room S-204 [Empirical Microeconomics]

“Housing Price Impacts of Airport Noise in Neighborhoods Surrounding Jackson-Hartsfield Atlanta International Airport”
Jeffrey Cohen (University of Hartford), Cletus Coughlin (Federal Reserve Bank of Saint Louis)*

“A Search Cost Perspective on Duration of Trade”
Tibor Besedes (Louisiana State University)*, Thomas Prusa (Rutgers University)

“Temptation and Self Control: Some Evidence from the Consumer Expenditure Survey”
Kevin H.D. Huang (Federal Reserve Bank of Philadelphia), Zheng Liu (Emory University), Qi Zhu (Emory University)*

“The Determinants of Entrepreneurship in Rural Missouri”
Darryl Chatman (University of Missouri)*, Ira Altman (University of Missouri), Tom Johnson (University of Missouri), Ken Troske (University of Missouri)

B: Room S-206 [Finance]

"Are Momentum Profits due to Common Factors or Idiosyncratic Returns? Evidence from the Volatility of Momentum Portfolios”
Xuemin Yan (University of Missouri)
“Return Predictability and the Implied Intertemporal Hedging Demands for Stocks and Bonds: International Evidence”
David Rapach (Saint Louis University)*, Mark Wohar (University of Nebraska at Omaha)

“Is Foreign Exchange Delta Hedging Risk Priced?”
Hui Guo (Federal Reserve Bank of St. Louis), Christopher Neely (Federal Reserve Bank of Saint Louis)*

“Interest Group Activity and Long-Run Stock Market Performance”
Dennis Coates (University of Maryland Baltimore County), Bonnie Wilson (Saint Louis University)*

C: Room S-110 [Empirical Macroeconomics I]

“A Steady State Approach to Trend / Cycle Decomposition”
James Morley (Washington University), Jeremy Piger (Federal Reserve Bank of Saint Louis)*

“Interpreting Permanent Shocks to Inflation when Money Growth is Endogenous”
John Keating (University of Kansas)

“A Flexible, Finite-Horizon Alternative for Identifying Technology Shocks in VARs”
Neville Francis (Lehigh University), Michael Owyang (Federal Reserve Bank of Saint Louis)*, Jennifer Roush (Board of Governors)

“Real Interest Rate Stationarity: A New Approach”
Claude Lopez (University of Cincinnati), Javier Reyes (University of Arkansas)*

D: Room S-207 [Money and Banking I]

“Mismatch in Credit Markets”
Zsolt Besci (Southern Illinois University - Carbondale)*, Victor Li (Villanova University), Ping Wang (Vanderbilt University)

“Financial Liberalization and Bank Lending Quality: Evidence from the EU”
Xiaofen Chen (Truman State University)

“Housing, Personal Bankruptcy and Entrepreneurship”
Cesaire Meh (Bank of Canada), Yaz Terajima (Bank of Canada)*

Lunch Break – Box Lunch – 1:00 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-110 [Labor]

“The Impact of a Temporary Help Job: An Analysis of Outcomes for Participants in Three Missouri Programs”
Caroline Heinrich (University of Wisconsin), Peter Mueser (University of Missouri), Kenneth Troske (University of Missouri)*

“Dutch Disease in the Labor Market: Women, Services, and Industrialization”
Pham Van (University of Missouri)
“Labour Market Adjustments to Exchange Rate Fluctuations: Evidence from Canadian Manufacturing Industries”
Danny Leung (Bank of Canada), Terence Yuen (Bank of Canada) *

“Termination of Dynamic Contracts in an Equilibrium Labor Market Model”
Cheng Wang (Iowa State University)

**B: Room S-204 [Macroeconomic Theory]**

“Balanced Budget Rules: Cycles and Complex Dynamics”
David Stockman (University of Delaware)

“Changing Monetary Policy Rules, Learning, and Real Exchange Rate Dynamics”
Nelson Mark (University of Notre Dame)

“Expectations, Learning and Discretionary Policymaking”
Christian Jensen (Southern Methodist University)

“On the Determinants of the Interest-Rate Driven Macroeconomic Volatility in Emerging Countries”
Marcelo Oviedo (Iowa State University)

**C: Room S-206 [Empirical Macroeconomics II]**

“Disaggregate Evidence on U.S. Price Stickiness and Implications for Sticky-Price Macro Models”
Carl Gwin (Baylor University), David VanHoose (Baylor University)*

Jorg Dopke (German Institute for Economic Research), Ulrich Fritsche (German Institute for Economic Research)*, Jiri Slacalek (German Institute for Economic Research)

“Estimating the Impact of Monetary Policy Surprises on Asset Prices”
Jason Andreou (Bank of Canada)

“The Impact of Monetary Announcements and Inflation Expectations on Interest Rates in Mexico”
Mario Villalpando (Bank of Mexico)

**D: Room S-207 [International Macroeconomics I / Money and Banking II]**

“Testing for a Border Effect in Persistence and Idiosyncratic Volatility in Deviations from the Law of One Price”
David Rapach (Saint Louis University), Mark Wohar (University of Nebraska at Omaha)*

“Quantitative Evaluation of Foreign Exchange Intervention and Sterilization in Japan: A Flow-of-Funds Approach”
Mizoshita Masako (Keio University), Kazusuke Tsujimura (Keio University)

“U.S. Banking Deregulation, Small Businesses, and Interstate Insurance of Personal Income”
Yuliya Demyanyk (University of Houston)*, Charlotte Ostergaard (Norwegian School of Management), Bent Sorensen (University of Houston)

“Analysis of Closure Policy under Alternative Regulatory Structures”
Greg Caldwell (Bank of Canada)

*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)

“Economic Turbulence: The Impact of Workers, Firms and Economic Growth”
Prof. John Haltiwanger (University of Maryland)

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 2, 2005

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

8:50 a.m. – Welcoming remarks by Chancellor Brady Deaton  (Stotler I, Room N-101)

Plenary Speaker II – 9:00 a.m.-10:00 a.m.  (Stotler I, Room N-101)

"What Happened to Rational Expectations Econometrics, and What's Being Done About It?"
Prof. Charles Whiteman (University of Iowa)

Refreshment Break – Coffee, Juice, Tea, Soda – 10:00 a.m. – 10:15 a.m. (adjacent to Registration Table)

Concurrent Session IV – 10:15 a.m.-12:15 p.m.

A: Room S-204  [Cyclical Fluctuations]

“Monetary Policy, Taxes and the Business Cycle”
William Gavin (Federal Reserve Bank of St. Louis), Finn Kydland (University of California Santa Barbara), Michael Pakko (Federal Reserve Bank of Saint Louis)*

“Comovement: It’s not a puzzle”
Riccardo DiCecio (Federal Reserve Bank of Saint Louis)

“Output, Unemployment, and Asymmetry in the Business Cycle”
Tara Sinclair (Washington University in Saint Louis)

“Structural Breaks between Determinacy and Indeterminacy in Estimated DSGE Models: A Bayesian Change-Point Approach”
Anatoliy Belaygorod (Washington University in Saint Louis), Siddhartha Chib (Washington University in Saint Louis), Michael Dueker (Federal Reserve Bank of Saint Louis)*

B: Room S-206  [International Macroeconomics II]

“Elasticity of Substitution and the Persistence of the Deviation of the Real Exchange Rate”
AKM Mahbub Morshed (Southern Illinois University - Carbondale)*, Stephen Turnovsky (University of Washington)

“An Experimental Analysis of Catalytic Finance”
Cary Deck (University of Arkansas)*, Javier Reyes (University of Arkansas)
“Tax Effects and the Real Exchange Rate”
Stacie Beck (University of Delaware)

“Regime switches in GDP growth and volatility: Some International Evidence and Implications for Modeling Business Cycles”
Penelope Smith (Melbourne Institute), Peter Summers (Melbourne Institute)*

C: Room S-207 [Microeconomic Theory / Game Theory]

“Lines of Credit as Instruments of Consumption Smoothing across State and Time: The Choice Between Credit Cards and Home Equity Lines of Credit”
Shubhasis Dey (Bank of Canada)

“The Fate of Disputed Territories: An Economic Analysis”
Yang-Ming Chang (Kansas State University)*, Joel Potter (Kansas State University), Shane Sanders (Kansas State University)

“Free Entry Equilibrium and Entry Biases in a Cournot Market”
Ozlem Mesta (University of Missouri), X.H. Wang (University of Missouri)*

“A Decentralized Model of Information Pricing in Networks”
Arnold Polanski (Universidad de Alicante)

D: Room S-110 [Urban Economics]

“Price Dispersion within and across Cities”
Emek Basker (University of Missouri)

“A Further Look at Distance”
Ruben Hernandez (Federal Reserve Bank of Saint Louis)

“The Effects of Changes in the Transportation Infrastructure on Suburbanization: Evidence from the Construction of the Interstate Highway System”
Nathaniel Baum-Snow (University of Chicago)

“Why did Income Growth Vary Across States during the Great Depression?”
Thomas Garrett (Federal Reserve Bank of Saint Louis), David Wheelock (Federal Reserve Bank of Saint Louis)*

Box Lunch and Adjournment – 12:15 p.m.-1:00 p.m.
(Stotler Lounge III Room N-103) Name Tag admits you to lunch.