



Seminar (SS 2016)
„AFF der Ökonometrie / Empirischen FiWi & Wipo“
(Topics in Applied Microeconometrics / Empirical Public Economics)

Prof. Steiner / Sebastian Schmitz

Aim of the seminar:

Each student is expected to write an empirical paper on a topic in applied microeconometrics/empirical public economics and present it in the seminar. The paper may be a replication of an earlier study or an original study (more difficult). The replication study would also involve a critical assessment of the underlying assumptions, alternative specifications of regression equations, and alternative sample selections, and could also apply the methodology of a previous paper to another data set. Knowledge of microeconometrics at the level of the course “Applied Microeconometrics” is assumed. Students will be provided with appropriate micro data and software (STATA). A brief introduction to the seminar and possible research topics (see list below) are presented by the organizers at the preliminary meeting (“Vorbereitung”). Own research topics may also be suggested by students, if appropriate for the seminar.

Requirements:

In addition to the preliminary meeting, there will be two meetings: In the first of these students will briefly present their research topic including a summary of previous research, the proposed methodology, data to be used, and perhaps already some preliminary descriptive analyses. In the second meeting completed papers will be presented and discussed. The final paper is due 2 – 3 weeks after this second meeting. The paper and the presentation may be in English or German. The grade will be made up of the final paper, the presentation of the paper, and the participation in the seminar. The paper should be about 15 pages including figures and tables.

Time table:

- **Preliminary meeting:** Wednesday, 20th April, 14:00 – 15:30, venue: Raum 328, Boltzmannstr. 20
- **Second meeting:** mid-May (exact date to be determined at the preliminary meeting)
- **Third meeting:** mid-July (exact date to be determined at the preliminary meeting)
- **Completed paper due:** end of July / first half of August

Topics

- 1. When to use weighting factors in regression analysis?**
Show the relevance of weighting as discussed in the Solon et al. (2013) paper by an application of wage regressions using SOEP data
Solon, G. et al. (2013): What are we weighting for? [NBER Working Paper 18859](#)
- 2. Occupational and regional labor market mismatch**
Estimation of empirical matching functions using administrative panel data **similarly** to [Aldashev, Alisher \(2009\)](#), [Occupational and Locational Substitution: Measuring the Effect of Occupational and Regional Mobility](#), [ZEW Discussion Paper No. 09-014](#)
- 3. Labor market transitions over the business cycle**
Estimate unemployment-employment transition models similarly to Nagore Garcia/van Soest (2015) using SOEP panel data
Nagore Garcia, A., A. van Soest (2015): New job matches and their stability before and during the crises. [IZA DP No. 9574](#).
- 4. Measuring extensive and intensive margins of labor supply**
Similar statistical analysis as in Blundell et al. (2013) for Germany for years 2000-2013 using SOEP panel data
Blundell, R. et al. (2013): Extensive and intensive margins of labour supply: work and working hours in the US, the UK, and France. *Fiscal Studies*, 34/1, 1-29.
- 5. Decomposing changes in wage distributions**
Apply one of the decomposition methods described in Lemieux (2002) using SOEP panel data – various papers (using different approaches) are possible
Lemieux, T. (2002), Decomposing changes in wage distributions: a unified approach. *The Canadian Journal of Economics*, 35/4, 646-688
- 6. Wage and earnings dynamics**
Update Myck et al (2009) using SOEP panel data
Myck, M. et al. (2009), Dynamics of hourly wages and earnings in Germany. [DIWDP929](#)
- 7. Earnings and employment assimilation of immigrants**
Replicate and update either Fertig/Schurer (2007) or Amuedo-Dorantes/de la Rica (2006) using SOEP data
Fertig, M., S. Schurer (2007): Earnings assimilation of immigrants in Germany: the importance of heterogeneity and attrition bias. [SOEP Papers 30](#)
Amuedo-Dorantes, C., S. de la Rica (2006): Labor market assimilation of recent immigrants in Spain. [IZA DP No. 2104](#)
- 8. Incentives vs. family background in higher education**
Update Lauer (2002) using SOEP data.
Lauer, C. (2002): Enrolments in higher education: do economic incentives matter? *Education and Training* 44 (4-5):179-185.
- 9. Zero Returns to Education in Germany**
Replicate Kamhöfer and Schmitz (2013) using SOEP data
Kamhöfer, D., H.Schmitz (2013) Analyzing Zero Returns to Education in Germany: Heterogeneous Effects and Skill Formation. *SOEPpapers* 598
- 10. Welfare transitions before and after the Hartz reforms**
Replication study of Wunder/Riphahn (2013) or use of alternative duration models (e.g.

Blank, 1989) to analyze transitions into or out of ALG II receipt) using SOEP
Wunder, C., R. Riphahn (2013): Welfare transitions before and after reform of the German welfare system. [Paper](#)
Blank, R. (1989): Analyzing the length of welfare spells. *Journal of Public Economics*, 39, 245-273.

11. Bequests and retirement

Adapting Brown et al. (2010) to analyze the causal effect of bequests on individual retirement behavior using SOEP panel data

Brown, J. et al. (2010): The effect of inheritance receipt on retirement. [Review of Economics and Statistics, 92\(2\), 425-434.](#)

12. Wages and Ageing – Accounting for Selection and Cohort Effects

Update and, possibly, extend Myck (2010) using SOEP data; methodology c.f. Blundell et al (2003).

Myck, M. (2010): Wages and Ageing: Is there evidence for the “Inverse-U” profile?. *Oxford Bulletin of Economics and Statistics*, 282-306.

Blundell, R., H. Reed, and T. Stoker (2003): Interpreting Aggregate Wage Growth: The Role of Labor Market Participation. *American Economic Review*, 94(3), 1114–1131.