

**„Aktuelle FF der Empirischen FiWi und Wipo / Ökonometrie“
(„Topics in Empirical Public Economics / Applied Microeconometrics”)
WS 2017/18**

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Aim of the seminar

The seminar counts for either “Aktuelle Forschungsfragen der Empirischen Finanzwissenschaft und Wirtschaftspolitik” or “Aktuelle Forschungsfragen der Ökonometrie” (6 ECTS). Each student is expected to write an empirical paper on empirical public economics/applied microeconometrics, broadly defined, 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.

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 the student, if appropriate for the seminar.

Requirements

Knowledge of microeconometrics at the level of the MSc Economics course “Applied Microeconometrics” is assumed !

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 a couple of 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. Relevant supplementary material can be included in an Appendix. A good guide for the structure and the format of the paper can be found in J. Wooldridge, Introductory Econometrics, Chapter 19.5: “Writing an Empirical Paper”, 4 ed., South Western, 2009.

Time table

- **Preliminary meeting:** 18 October, 16:15–17:45, Kaminzimmer, Boltzmannstr. 20
- **Second meeting:** Mid-December (exact date to be determined at the preliminary meeting)
- **Third meeting:** End-January (exact date to be determined at the preliminary meeting)
- **Completed paper due:** End-February

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Topics

- 1. Labor market transitions over the business cycle**
Estimate unemployment-employment transition models similarly to Nagore Garcia/van Soest (2015) using SOEP panel before after the 2009 crises
- 2. Inequality decomposition**
Apply quantile regressions to decompose differences in inequality between two years into contributions of changes in coefficients, in characteristics, and a residual. Can be applied to income inequality or wage inequality. Apply the method described in Machado and Mata (2005).
- 3. Educational assortative mating and the distribution of household incomes**
Replicate German part of Eika et al. (2017)
- 4. The performance of immigrants in the German labor market**
Replicate parts of Beyer (2017)
- 5. Testing the life-cycle hypothesis: housing consumption after retirement**
Replicate the empirical part of Schreiber/Beblo (2016) using SOEP panel data.
- 6. Disability, pension reform and early retirement in Germany**
Various papers possible: Boersch-Supan and Juerges (2011); Hanel (2010); SOEP or social security data
- 7. The creation and resolution of working hour discrepancies over the life course**
Replicate Weber and Zimmer (2017) applying fixed effects logit.
- 8. Informal home care and labor-force participation of household members**
Update Meng (2013) using SOEP panel data.
- 9. Inequality of opportunity in retirement age**
Replicate parts of Giesecke and Okoampah (2014) applying an Oaxaca-Blinder decomposition.
- 10. Entrepreneurship and returns to education**
Replicate Fossen and Büttner (2013)
- 11. Educational choices: Higher education enrolment**
Replicate parts of Lauer (2000) or a simpler version of Fossen and Glocker (2011)
- 12. Overeducation/ Educational mismatch**
Replicate Boll, Leppin and Schömann (2016)

References

- Beyer, R.C.M. (2017): The performance of immigrants in the German labor market. SOEPpapers 892 (Internet).
- Boersch-Supan, A. H., H. Juerges (2011): Disability, Pension Reform and Early Retirement in Germany. NBER Working Paper No. 17079.
- Boll, C., Leppin, J.S., K. Schömann (2016): Who is overeducated and why? Probit and dynamic mixed multinomial logit analyses of vertical mismatch in East and West Germany. *Education Economics*, pages 639-662.
- Eika, L., M. Mogstad, B. Zafar (2017): Educational Assortative Mating and Household Income Inequality. Federal Reserve Staff Report No. 682 (Internet)
- Fossen, F.M., T.J.M. Büttner (2013): The returns to education for opportunity entrepreneurs, necessity entrepreneurs, and paid employees. *Economics of Education Review*, pages 66-84.
- Fossen, F.M., D. Glocker (2011): Expected future earnings, taxation and university enrolment. *International Tax and Public Finance*, pages 688-723.
- Giesecke, M., S. Okoampah (2014): Inequality of Opportunity in Retirement Age – The Role of Physical Job Demands. *Ruhr Economic Papers* 492.
- Hanel, B. (2010): Disability Pensions and Labor Supply. BGPE Discussion Paper No. 86, University Erlangen-Nürnberg (Internet).
- Lauer, C. (2000): Enrolments in higher education in West Germany: The impact of social background, labour market returns and educational funding. ZEW Discussion paper.
- Machado, J. A. F., J. Mata (2005): Counterfactual decomposition of changes in wage distributions using quantile regression. *Journal of Applied Econometrics*, vol. 20(4), pages 445-465.
- Meng, A. (2013): Informal home care and labor-force participation of household members. *Empirical Economics*, 44(2), 959-979.
- Nagore Garcia, A., A. van Soest (2015): New job matches and their stability before and during the crises. IZA DP No. 9574. <http://ftp.iza.org/dp9574.pdf>
- Schreiber, S., M. Beblo (2016): Leisure and housing consumption after retirement: new evidence on the lifecycle hypothesis. SOEP Papers No. 849.
- Weber, E., F. Zimmert (2017): The creation and resolution of working hour discrepancies over the life course. IAB-Discussion Paper 29/2017.