



High Dimensional Nonstationary Time Series

IRTG 1792

Short Course

Antonio F. Galvao

Theory and Application of Dynamic Quantile Models of Rational Behavior

The goal of this short course is to study the quantile preferences in a dynamic economic setting by providing a comprehensive analysis of a dynamic rational quantile model. In the first part of the course, we overview the axiomatization the recursive quantile preferences. In addition, we introduce dynamic programming for intertemporal decisions and we will show the corresponding Euler equation. In the second part, we review the existing econometric techniques to estimate the quantile Euler equation. We study a smooth generalized method of moments with instrumental variables for estimating nonlinear conditional quantile models. In addition, we illustrate the usefulness of the quantile dynamic model with an empirical model of intertemporal consumption and estimate the implied elasticity of intertemporal substitution (EIS).



Antonio F. Galvao is a Professor of Economics at the University of Arizona. He joined Arizona's faculty in 2017, after being a faculty at the University of Iowa and University of Wisconsin-Milwaukee. He received a Ph.D. in Economics in 2009 and an M.A. in Statistics in 2007, both from the University of Illinois at Urbana-Champaign. His research interests include econometric theory, applied econometrics, and economic theory, with emphasis on quantile regression and quantile preferences.

March 26, 2019 | 9:30-11:30 | Room 005 (DOR1)

March 27, 2019 | 9:30-11:30 | Room 005 (DOR1)



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