

Seminar Econometric Projects

Seminar Dates:

Organizational Meeting:	October 18, Tue, 18-20, SPA 1, 23
PC pool session:	October 25, Tue, 18-20, SPA 1, 025
Presentations:	February 3, Fri, 8-18, SPA 1, 21b
Presentations:	February 4, Sat, 8-18, SPA 1, 21b

MA: 6 SP

Seminar Description

Students conduct (i) their own empirical studies (applied econometric projects) or (ii) present and discuss an econometric method typically based on their own Monte Carlo study, present their results and write a seminar paper to successfully complete this project seminar.

A number of the applied econometric projects are based on data from the German Socioeconomic Panel (SOEP) available at DIW (see www.diw.de/de/soep), from the BIBB/IAB or BAuA employment surveys (see <https://www.bibb.de/de/1387.php>), from the Labor Market Monitor East or from the General Social Survey. Some further data sources will be used in specific projects. Some topics involve a scientific replication of a research paper. For the applied econometric projects, students are expected to extract and prepare the data needed for their econometric analysis. The methodological projects typically involve programming and running a Monte Carlo study.

Interested students are asked to attend the first seminar meeting on 18 October 2016. Students who have already attended a seminar with the same number are not allowed to attend it again this semester, independent of the specified content.

Topics

Applied Econometric Projects

1. The impact of risk aversion, locus of control, and impatience on migration within Germany: An Empirical Analysis based on the GSOEP

References:

- Bonin, H., Dohmen, T., Falk, A., Huffman, D., and Sunde, U. (2007). Cross-sectional earnings risk and occupational sorting: The role of risk attitudes. *Labour Economics*, 14:926–937.
- Skriabikova, O., Dohmen, T., and Kriechel, B. (2012). Risk attitudes and occupational choice. Technical report, Research Centre for Education and the Labour Market (ROA), Maastricht University.

2. The empirical relationship between cognitive ability and behavioral measures such as risk aversion, locus of control, and impatience: An Empirical Analysis based on the GSOEP

Reference: Dohmen, T., Falk, A., Huffman, D. & Sunde, U. (2010). Are Risk Aversion and Impatience Related to Cognitive Ability? *American Economic Review*, Band 100 (3), S. 1238-1260.

3. The effects of Education and individual Labor Market History in the GDR on Labor Market performance after Reunification: An empirical Analysis based on the BIBB-IAB Survey 1991/92 or the GSOEP

Reference: Bird, E., Schwarze, J. and Wagner, G. (1994). Wage Effects of the Move Toward Free Markets in East Germany, *Industrial and Labor Relations Review*, 47(3):390 - 400

4. Differences in Attitudes and Perceptions regarding the Labor Market after Reunification: An Empirical Analysis based on the German Social Survey

Reference: Beblo, M. and Görges, L. (2015). On the nature (and nurture) of gender differences in work preferences: Evidence from East and West Germany, mimeo, University of Hamburg.

5. Gender Differences in Work Preferences in East and West Germany after Reunification: An Empirical Analysis based on the German Social Survey

Reference: Beblo, M. and Görges, L. (2015). On the nature (and nurture) of gender differences in work preferences: Evidence from East and West Germany, mimeo, University of Hamburg.

6. Expectations and Actual Labor Market Outcomes in East Germany after Reunification: An Empirical Analysis based on the Labor Market Monitor East

References:

- Dickerson, A. and Green, F. (2012). Fears and Realisations of Employment Insecurity. *Labour Economics*, 19(2):198-210.

- Dominitz, J. and Manski, C. F. (1997). Perceptions of Economic Insecurity: Evidence from the Survey of Economic Expectations. *Public Opinion Quarterly*, 61(2):261-287.

7. Risk attitudes and Labour Market Performance in East and West Germany after Reunification: An Empirical Analysis based on the GSOEP

Reference: Bonin, H., Dohmen, T., Falk, A., Huffman, D., and Sunde, U. (2007). Cross-sectional earnings risk and occupational sorting: The role of risk attitudes, *Labour Economics*, 14:926–937.

8. The length of residency discount in the German rental market

Reference: Fitzenberger, B. und B. Fuchs (2016). The Residency Discount for Rents in Germany and the Tenancy Law Reform Act 2001: Evidence from Quantile Regressions, forthcoming: *German Economic Review*.

9. Mobility between Dwellings: Determinants and the evolution of rents

Reference: Kemper, F. (2008). Residential mobility in East and West Germany: mobility rates, mobility reasons, reurbanization. *Zeitschrift für Bevölkerungswissenschaft*, 33: 293-314.

10. Risk Aversion, Locus of Control, Health Behavior, and Health Outcomes: An Empirical Analysis based on the GSOEP

Reference: Cobb-Clark, D. A. and S. Schurer (2013). Two economists' musings on the stability of locus of control. *The Economic Journal*, 123(570), F358-F400.

11. Measuring rising income inequality and poverty: A panel analysis for Germany

References:

- Biewen, M., & Juhasz, A. (2012). Understanding Rising Income Inequality in Germany, 1999/2000–2005/2006. *Review of income and wealth*, 58(4), 622-647.
- Clark, A. E., D'ambrosio, C., & Ghislandi, S. (2013). Poverty and well-being: Panel evidence from Germany, *SOEPpapers*, 739, DIW Berlin.

12. Decomposing the Increase in Wage Inequality in Germany: An Empirical Analysis based on the BIBB-IAB Survey 1998/99 and the BIBB-BAuA Survey 2012

Reference: Antonczyk, D., B. Fitzenberger und U. Leuschner (2009). Can a Task-Based Approach Explain the Recent Changes in the German Wage Structure? *Jahrbücher für Nationalökonomie und Statistik (Journal of Economics and Statistics)*, 229 (2+3), 214-238.

13. The part time wage gap among female employees: A decomposition analysis based on the GSOEP

Reference: Hardoy, I., & Schøne, P. (2006). The Part-Time Wage Gap in Norway: How Large is It Really? *British Journal of Industrial Relations*, 44(2), 263-282.

14. Long term wage effects of temporary part-time work for German men: An Empirical Analysis using the GSOEP

References:

- Paul, M. (2016). Is there a causal effect of working part-time on current and future wages? *The Scandinavian Journal of Economics*.
- Connolly, S. and Gregory, M. (2009). The part-time pay penalty: earnings trajectories of british women. *Oxford Economic Papers*.

15. Patchwork labor market careers and wage progression: An Empirical Analysis using the GSOEP

References:

- Beblo M. and Wolf, E. (2000) How much does a year off cost? Estimating the wage effects of employment breaks and part-time periods. *ZEW discussion papers*
- Ferber M. and Waldfogel, J. (1998) The long-term consequences of nontraditional employment. *Monthly Labor Review*.

Methodological Econometric Projects (for References refer also to the general references at the end)

16. Synthetic control groups method to estimate individual treatment effects

References:

- Abadie A, Diamond A, Hainmueller J (2010) Synthetic Control Methods for Comparative Case Studies: Estimating the Effect of California's Tobacco Control Program. *Journal of the American Statistical Association* 115:493–505
- Abadie A, Diamond A, Hainmueller J (2015) Comparative politics and the synthetic control method. *American Journal of Political Science* 59(2):495–510

17. Robust asymptotic standard errors in panel regressions to account for cluster effects: How useful are cluster bootstrap methods?

References:

- Cameron, A. C., Gelbach, J. B., & Miller, D. L. (2008). Bootstrap-based improvements for inference with clustered errors. *The Review of Economics and Statistics*, 90(3), 414-427.
- Cameron, A. C., & Miller, D. L. (2015). A practitioner's guide to cluster-robust inference. *Journal of Human Resources*, 50(2), 317-372.

18. The Fairlie decomposition method for binary choice models

Reference: Fairlie, R. W. (2005). An extension of the Blinder-Oaxaca decomposition technique to logit and probit models. *Journal of Economic and Social Measurement*, 30(4), 305-316.

19. How to implement Difference-in-Differences for Binary Choice Models?

References:

- Ai, C. and E.C. Norton (2003). Interaction terms in logit and probit models. *Economics letters*, 80(1), 123-129.
- Puhani, P. A. (2012). The treatment effect, the cross difference, and the interaction term in nonlinear "difference-in-differences" models. *Economics Letters*, 115(1), 85-87.

20. Changes-in-changes as an Alternative to Difference-in-Differences estimation

References:

- Athey, S. and G.W. Imbens (2006). Identification and inference in nonlinear difference-in-differences models. *Econometrica*, 74(2), 431-497.
- Havnes, T. and M. Mogstad (2015). Is universal child care leveling the playing field? *Journal of Public Economics* 127:100–114.

General References

- **AP: Angrist, J. D. and J.-S. Pischke** (2009): *Mostly Harmless Econometrics – An Empiricist's Companion*, Princeton University Press.
- **CT: Cameron, A. C. and P. K. Trivedi** (2005): *Microeconometrics – Methods and Applications*, Cambridge University Press.
- **GR: Greene, W.** (2008): *Econometric Analysis*, 6th ed., International Edition, Prentice Hall.
- **WOADV: Wooldridge, J. M.** (2010): *Econometric Analysis of Cross Section and Panel Data*. 2nd edition, Cambridge, MA: MIT Press (see also: <http://mitpress.mit.edu/books/econometric-analysis-cross-section-and-panel-data>).
- **WOBAS: Wooldridge, J. M.** (2013): *Introductory Econometrics – A Modern Approach*, 5th ed., South Western, Cengage Learning.

Prerequisites

Knowledge of econometrics at the level of the course "Econometric Methods" (First Master course). Practical experience with or the willingness to learn Stata.

Grade

Seminar paper (100 %)

Further Information

Max. number of participants: 20

Students are expected to use the econometric package Stata for data preparation and estimation. Information on how to use Stata in the PC Pool will be given in the seminar.