


# ECONOMICS



# AT NORTHWESTERN

Fall 1991, No. 22

Editor: Maryann Semer

This edition covers events and publications involving economists at Northwestern for the period of February 1, 1991, through September 30, 1991. Additional copies are available from the editor in Andersen Hall, G-174.

## *APPOINTMENTS, HONORS, AND GRANTS*

MARCUS ALEXIS rejoined the Northwestern faculty as the Board of Trustees Professor of Economics and Professor of Management and Strategy in the Kellogg Graduate School of Management. Alexis and George Stigler were co-chairs at the Illinois Commerce Commission Blue Ribbon Task Force on Telecommunications Policy. Their report was the basis for the Illinois Commerce Commission report to the State legislature on the Illinois Telecommunications Policy Act scheduled to expire on December 31, 1991.

TORBEN G. ANDERSEN was appointed Assistant Professor at the Department of Finance, Kellogg Graduate School of Management on September 1, 1991.

REBECCA BLANK is the primary investigator on a Joint Statistical Agreement with the Bureau of the Census, entitled, "Multiple Program Use in a Dynamic Context in the SIPP." She testified this July before the Joint Economic Committee's hearings on U.S. poverty, and her testimony was later released by the JEC as a Special Report to the JEC, entitled, "Growth is Not Enough: Why the Recovery of the 1980's Did so Little to Reduce Poverty." A description of her testimony and related research was included in an article in the *New York Times* on October 29.

RON BRAEUTIGAM received a Northwestern University Alumni Association "Excellence in Teaching Award" (one of only three such awards in the University) for 1991. The award was presented in September at the annual Alumni Leadership Conference at Northwestern, attended by three hundred alumni. He also held an appointment as a Visiting Scholar, Wissenschaftszentrum Berlin, Berlin, Germany for August and September.

PHILLIP BRAUN began his appointment at Kellogg's Department of Finance in the Fall of 1991. He was also recently appointed North American Editor of *Economic Forecasts: A Monthly Worldwide Survey*, a North-Holland Publication.

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IAN DOMOWITZ completed a short-term appointment as an advisor to the United States Commodity Futures Trading Commission with respect to regulatory issues involved in the automation of futures markets.

ROBERT EISNER was awarded an honorary degree by Depaul University at the June Commencement.

ROBERT HODRICK was appointed to be one of the Advisory Editors of the new *Journal of Empirical Finance*, which will be published by North-Holland. He and David Marshall were awarded a one-year grant from The Lynde and Harry Bradley Foundation for the study of "Predictability and Volatility of Asset Prices in Open Economies."

MATTHEW JACKSON was appointed to the editorial board of *Social Choice and Welfare*.

JAMES MONTGOMERY received a grant from the National Science Foundation to study "The Effects of Social Networks on Labor-Market Outcomes: Establishing a Theoretical Foundation."

LEON N. MOSES received a third year grant from the Transportation Research Institute, the University of Michigan, Ann Arbor (with Ian Savage) to complete research on methods of evaluating the effectiveness of the federal government's program of motor carrier safety regulation. He also co-chaired a conference on the transportation of hazardous materials and wastes with Robert Neuschel, for which \$100,000 in funding was provided by the U.S. Department of Transportation and other agencies.

THOMAS RIETZ was elected to the Executive Committee of the Economic Science Association as the Section Head for Finance.

IAN SAVAGE received a grant from Northwestern University's Institute for Modern Communications in summer 1991 to fund a large telephone interview survey in connection with his research into psychological features affecting the valuation of life. He and Leon N. Moses received a third year of funding from the U.S. Department of Transportation to continue investigation of the economics of motor carrier safety regulation. Professor Savage and John C. Panzar have received funding from the Federal Aviation Administration to investigate the economics of non-destructive testing which is currently being proposed to identify structural failures in aging commercial aircraft. Ian Savage has also been invited to join the organizing committee of (Chicago) Metropolitan Conference on Public Transportation Research.

ANDREW WINTON, in July, joined the Kellogg Graduate School of Management Finance Department as Assistant Professor.

#### TRAVELS

MARCUS ALEXIS presented a paper, "The New Political Economy of Black Elected Officials: Black Mayors at the Crossroads," at the September 20th meeting of the *Black Enterprise* Board of Economists in Washington, D.C. In October Alexis attended a meeting of the Task Force on Economic Policy of the Coalition for Democratic Values, which he co-chairs with former labor secretary Ray Marshall.

TORBEN G. ANDERSEN presented "An Econometric Model of Return Volatility and Trading Volume" at the Simon Graduate School of Business, University of Rochester; Department of Economics, University of Minnesota; and Department of Finance, UCLA and Washington University, St. Louis.

DEBRA J. ARON presented her paper, "Bonuses and Penalties as Equilibrium Incentive Devices, with Application to Manufacturing Systems," co-authored with Pau Olivella, at the University of Chicago. She also presented "The Timing of Entry into New Markets" at the Summer Meetings of the Econometric Society in Philadelphia and at the University of Chicago.

LAWRENCE AUSUBEL presented "Separation and Delay in Bargaining" (with Raymond Deneckere) at the European Meeting on the Economics of Information in Tilburg, Netherlands, in June. On the same trip, he also gave seminars at the London School of Economics and the London Business School. He organized three sessions and chaired one session at the Econometric Society Meetings in Philadelphia, also in June. He gave "Rigidity and Asymmetric Response of Bank Interest Rates" at the NBER Behavioral Finance Workshop in Cambridge, MA, in July.

REBECCA BLANK presented papers at the Hubert Humphrey School of Public Policy, University of Minnesota; the MIT Labor Economics Seminar; the Institute for Public Policy at the University of Michigan; and the Upjohn Institute for Employment Research. She presented an invited paper to the National Academy of Science's Panel to Evaluate the Survey of Income and Program Participation, and presented papers at the Jerome Levy Institute's Conference on Inequality, and the Institute for Research on Poverty's Summer Research Workshop. She also attended the NBER Labor Studies Summer Institute.

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RON BRAEUTIGAM presented his Inaugural Lecture for the Kapnick Chair in Business Institutions, "Regulatory Reform for Diversified Public Utilities: For Better or for Worse," Northwestern University, Winter Quarter. At the Northwestern University Transportation Center Conference "Hazmat Transport 1991," June 17-19, he presented a new paper, entitled "A Test of Market Behavior in the Transportation of Petroleum and Liquid Hazardous Materials," co-authored with L. N. Moses. Braeutigam also presented a paper at the European Association for Research in Industrial Economics at the University of Ferrara, Ferrara, Italy, in September.

PHILLIP BRAUN attended the NBER conference New Research on Business Cycles, Indicators, and Forecasting, where Victor Zarnowitz presented their co-authored paper "Twenty-Two Years of the NBER-ASA Quarterly Economic Outlook Surveys: Aspects and Comparisons of Forecasting Performance." Shorter versions of this paper were also presented at the 11th International Symposium on Forecasting in New York in June and the 20th Conference for CIRET, the Centre for International Research on Economic Tendency Surveys, in Budapest, in October.

LOUIS CAIN participated in the Business History Conference in Toronto, in March; the Cliometrics Society meetings in Bloomington, IN, in May; and the Economic History Association meetings in Boulder, CO, in September.

ROBERT COEN participated in an April Workshop on East-West Comparisons of Productivity Growth, held in Warsaw, where he presented a paper on "Productivity Measurement in the United States." In June, he presented a paper on "Investigating Model Properties Through Successive Endogenization: Illustrations with the Hickman-Coen Model" at a meeting of the NBER Model Comparisons Seminar in Boston.

IAN DOMOWITZ presented "Equally Open and Competitive: Regulatory Approval of Automated Trade Execution in the Futures Market" as an invited speaker at the Symposium on the Design of Financial Markets, Western Finance Association Meeting, in June. The same paper was given at the University of Minnesota and at a joint Carnegie Mellon/University of Pittsburgh workshop in April. "Some Effects of Restricting the Electronic Order Book in an Automated Trade Execution System" was presented at the Santa Fe Institute and the International Monetary Fund over the summer. He delivered the paper "The Electronic Order Book and Automated Trade Execution Systems in Futures Markets" at the Commodity Futures Trading Commission.

ROBERT EISNER lectured at Yeshiva University in New York on February 13. He went to the Rhodes College Seidman Award Board meeting in Washington on February 14. He was back in Washington on March 22 to meet, as Chairman of its Nominating Committee, with the American Economic Association Executive Committee. Eisner was in Cambridge, Massachusetts as a discussant at NBER meetings on May 10

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and May 11, and on May 30 he was at the Boston Federal Reserve Bank for a meeting on the productivity of public capital, sponsored by the Center for National Policy. He spoke at a panel on tax incentives for saving at an American Enterprise Institute conference in Washington on July 9. He was back in Washington on July 18 for informal individual testimony before the Joint Economic Committee, still again on Capitol Hill for a meeting on July 29 sponsored by the Coalition for Democratic values, and finally on August 29 and 30, chiefly for meetings at the Bureau of Economic Analysis.

TIMOTHY FUERST presented "Monetary Policy and Financial Intermediation" at the meetings of the Western Economic Association in Seattle on July 1. He also presented this paper at the NBER Summer Macro workshop, held in Boston from July 8 - July 12. He served as a discussant at the Western meetings and the NBER's Economic Fluctuations Summer Research Meetings. In September, he presented "Optimal Monetary Policy in a Cash-in-Advance Economy," at the University of British Columbia.

ROBERT J. GORDON in February and March discussed a paper on monetary forecasting models at a CATO forecasting conference in Washington, and participated in a NBER economic fluctuations research meeting at Stanford, a NBER macroeconomics conference in Cambridge, and a NBER productivity program meeting in Cambridge. In April he participated in the Brookings Panel on Economic Activity in Washington, discussed a paper on U.K. productivity behavior at a meeting of the Economic Policy panel in London, and gave an after-dinner speech to the NBER macroeconomic history research meeting on "Interesting Research Puzzles in U. S. Macroeconomic History." He travelled to Madrid in June as co-organizer of the International Seminar on Macroeconomics, and in July gave a paper to the productivity group at the NBER Summer Institute on "Productivity Growth in U. S. History: One Big Wave?" At Cambridge, U. K. in late August and early September he spoke at two panels of the European Economic Association meeting, one on European unemployment and the other on the academic job market in Europe and the U. S., and he participated in the executive committee meeting of the Econometric Society. Later in September he discussed a paper on the "state and local fiscal crisis" in Washington at the Brookings Panel on Economic Activity.

ROBERT HODRICK presented "Dividend Yields and Expected Stock Returns: Alternative Procedures for Inference and Measurement," at Vanderbilt University in February. He presented "Characterizing Predictable Components in Excess Returns on Equity and Foreign Exchange Markets," a paper co-authored with Geert Bekaert of the Department of Economics, at the Western Finance Association Summer Meetings, in June. In August Hodrick participated in the NBER Summer Institute.

BO E. HONORE presented "Trimmed LAD and Least Squares Estimation of Truncated and Censored Regression Models with Fixed Effects" at Queens University and Cornell University.

MATTHEW JACKSON presented "Speculation and Price Fluctuations with Private Extrinsic Signals" (joint work with Jim Peck) at Cornell University in March. In April he presented "Undominated Nash Implementation in Bounded Mechanisms" (joint with Tom Palfrey and Sanjay Srivastava) at Columbia University and then at the Decentralization Conference. In September Jackson presented "A Characterization of Strategy-Proof Social Choice Functions for Economies with Pure Public Goods" (joint with Salvador Barbera) at the European Econometric Society Meetings in Cambridge, England.

MICHAEL MARRESE presented "Creating Conditions for the Development of Competitive Markets in Economies in Transition," at the Bank of Italy and at the London School of Economics in February. He gave the paper, "The Impact on Inflation of Reducing Agricultural Price Distortions in Eastern Europe and the Soviet Union" at the conference, "East European Transformation," Princeton University, May 3-4. He also presented a talk on "Moving Towards a Free Market: Implications for Telecommunications," at the Telecommunications Ministers Conference, Motorola University, Schaumburg, August 12-14.

BRUCE MEYER presented "The Unemployment Insurance Reemployment Bonus Experiments: What Have We Learned?" at the Canadian Employment Research Forum in Kingston, Canada in May and at Employment and Immigration Canada in Ottawa, in July. In April he presented "Why Are There So Few Black Entrepreneurs?" at the University of Chicago, and the Small Business and Entrepreneurship Workshop at Harvard Business School. Meyer also presented "Workers' Compensation and Injury Duration: Evidence from a Natural Experiment" at M.I.T. in March, the National Bureau of Economic Research Taxation Group in April, and the University of Michigan in September. In April he presented "An Event Study Approach to the Effects of Unemployment Insurance," at the University of Wisconsin. In May he presented the same at Cornell University and at the University of Chicago Public Economics Workshop and again in July at the Bureau of Labor Statistics.

JAMES MONTGOMERY presented the paper "Revisiting *Tally's Corner*: Mainstream Norms, Cognitive Dissonance, and Underclass Behavior" at the conference on "Interdisciplinary Approaches to Economics" sponsored by the Society for the Advancement of Socio-Economics held in Stockholm, Sweden.

ANDREW F. NEWMAN spent a month at the SITE summer conference at Stanford where he presented "The Capital Market, the Wealth Distribution and the

Employment Relation" and "Occupational Choice and the Process of Development" (with Abhijit V. Banerjee)

THOMAS RIETZ in June presented the paper "An Experimental Study of Voting Rules and Polls in Three-Way Elections" at the University of Minnesota Accounting Minicamp: Game Theory in Experiments.

IAN SAVAGE presented the results of joint work with Leon N. Moses on the economics of motor carrier safety regulation at the University of Michigan and at the Institute of Management Sciences Annual Meeting in Rio de Janeiro, Brazil in July.

CHRIS UDRY presented "Risk, Insurance and Default in a Rural Credit Market" at Princeton, Chicago, Illinois-Champaign, USC, and Michigan. He presented "A Competitive Analysis of Rural Credit: State-Contingent Loans in Northern Nigeria" at RAND. He presented "A General Equilibrium Approach to Financial Markets in Nigeria" at the Santa Fe Institute workshop on Missing Markets and the Emergence of Market Structure. He presented "Informal Credit Markets in Comparative Perspective" at the University of Pennsylvania.

DAN VINCENT attended the Canadian Economic Theory Conference in Toronto this past June. He also spent three weeks visiting the University of Bonn in July.

ANDREW WINTON presented "Limited Liability and Corporate Structure" at the Hillyard-Lyons Symposium on Design of Contracts, Institutions, and Markets at Indiana University in August.

#### PAPERS AND PUBLICATIONS

DEBRA J. ARON's papers "Bonuses and Penalties as Equilibrium Incentive Devices, with Application to Manufacturing Systems" (co-authored with Pau Olivella) and "The Timing of Entry into New Markets" are available in the Math Center (WP#917 and WP#932, respectively), and "Diversification as a Strategic Preemptive Weapon" is available from the Department of Management and Strategy (Discussion Paper No. 91-41).

LAWRENCE AUSUBEL published "The Failure of Competition in the Credit Card Market" in the *American Economic Review*, Vol. 81, no. 1, pp. 50-81. A synopsis of his credit card research also appeared in the *New York Times*, *Washington Post*, *New York Newsday*, *Credit Card News*, and *CBS This Morning*. "Bargaining and the Right to

Remain Silent" (with Raymond Deneckere) appeared as CMSEMS Discussion Paper No. 856 and is forthcoming in *Econometrica*.

RON BRAEUTIGAM published "The Potential Benefits and Problems of Price Level Regulation: A More Hopeful Perspective" (with Jordan Jay Hillman) in *Northwestern Law Review*, vol. 84, no. 2, pp. 695-710. His book *Price Level Regulation for Diversified Public Utilities* (with Jordan J. Hillman) was reviewed in *Journal of Regulatory Economics*, vol. 2, no. 2, and by R. Mark Isaac, in *Information Economics and Policy*, vol. 4, no. 3, pp. 271-273.

PHILLIP BRAUN has three papers available in the Department of Finance's working paper series. They are, "Good News, Bad News, Volatility, and Betas," with Dan Nelson and Alain Sunier (WP#113), "Twenty-Two Years of the NBER-ASA Quarterly Economic Outlook Surveys: Aspects and Comparisons of Forecasting Performance," with Victor Zarnowitz (WP#114), and "Misspecifications in Vector Autoregressions and their Effects on Structural Impulse Responses and Variance Decompositions," with Stefan Mitnik (WP#116).

LOUIS CAIN published two articles in Joel Mokyr, editor, *The Vital One: Essays in Honor of Jonathan Hughes*, (Greenwich, Ct.: JAI Press, 1991): the introductory essay, "The Vital Jonathan R. T. Hughes," which was written in conjunction with Stanley Reiter and Paul Uselding, and "Carving the Northwest Territory into States." He also published "Separating Wastewater from the Water Supply in a Lakefront City: Conserving Chicago's Water Resources," in Howard Rosen and Anne Durkin Keating, editors, *Water and the City: The Next Century*, Chicago: Public Works Historical Society, 1991, for the Metropolitan Water Reclamation District of Greater Chicago. An abbreviated history of the Northwestern Mutual Life Insurance Company is included in the *International Directory of Company Histories* (Chicago: St. James Press, 1991).

IAN DOMOWITZ published "The Mechanics of Automated Trade Execution Systems" in *The Journal of Financial Intermediation* in the June issue. The paper "Equally Open and Competitive: Regulatory Approval of Automated Trade Execution in the Futures Markets" is available as Center for the Study of Futures Markets Working Paper #214, and "Some Effects of Restricting the Electronic Order Book in an Automated Trade Execution System" (with Tim Bollerslev) is in the Department of Finance working paper series, No. 105.

ROBERT EISNER's "The Real Rate of National Saving," was published in *The Review of Income and Wealth*, Series 37, number 1, March 1991, pp. 15-32. "Real Foreign Investment in Perspective" (with Paul J. Pieper) appeared in *The Annals of the American Academy of Political and Social Science*, July 1991, pp. 22-35. "Macroeconomic Consequences of Disarmament," appeared in *Challenge*,



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January/February 1991, pp. 47-50. "Our Real Deficits" was published in the *Journal of the American Planning Association*, Vol. 57, Number 2, Spring 1991, pp. 131-135. "No New Taxes for S&L Bailout," was printed in *Challenge*, March/April 1991, pp. 34-38. "Infrastructure and Regional Economic Performance: Comment," was published in the *New England Economic Review*, September/October 1991, pp. 47-58.

TIM FUERST published "Comments on the Sustainability of Budget Deficits" in the August 1991 issue of the *Journal of Money, Credit, and Banking*. His working papers "Monetary Policy and Financial Intermediation" and "Optimal Monetary Policy in a Cash-in Advance Economy" are available from the author.

ROBERT J. GORDON's "Productivity in the Transportation Sector" is available as NBER working paper #3815, August 1991, and his comment on Alan Blinder, "Why are Prices Sticky?" appeared in the *AER Papers and Proceedings*, vol. 81 (May 1991), pp. 98-99.

ROBERT HODRICK's article, "The Variability of Velocity in Cash-in-Advance Models," with Narayana Kocherlakota (University of Iowa) and Deborah Lucas, appeared in the *Journal of Political Economy*, vol. 99, no. 2, April 1991, pp. 358-384. His paper entitled "Dividend Yields and Expected Stock Returns: Alternative Procedures for Inference and Measurement," appeared in July as NBER Technical Working Paper No. 108. Also in July, his paper entitled "Characterizing Predictable Components in Excess Returns on Equity and Foreign Exchange Markets," with Geert Bekaert appeared as NBER Working Paper No. 3790. In September he completed "On Biases in the Measurement of Foreign Exchange Risk Premiums," also with Geert Bekaert, which is available as Finance Department Working Paper No. 112.

JONATHAN HUGHES published *The Governmental Habit Redux: Economic Controls from Colonial Times to the Present* (Princeton, Princeton University Press, 1991) in June.

MATTHEW JACKSON's article "Bayesian Implementation" appeared in the March 1991 issue of *Econometrica*. His article "Equilibrium, Price Formation, and the Value of Private Information," appeared in *The Review of Financial Studies*, vol. 4, 1991, pp. 1-16. His article (with Edward Lazear) "Stock, Options, and Deferred Compensation" appeared in *Research in Labor Economics*.

MICHAEL MARRESE published "Progress in Transforming Hungarian Agriculture," *Comparative Economic Studies* XXXIII, No. 2:159-177, Summer 1991. He coauthored with Hans J. Blommestein and Salvatore Zecchini, "Centrally Planned Economies in Transition: An Introductory Overview of Selected Issues and Strategies," in Hans J. Blommestein and Michael Marrese (eds.), *Transformation of Planned*

*Economies*. He also was the principal author of the OECD *Economic Survey of Hungary*. The following working papers, completed during this period, are available from Michael Marrese: "The Impact on Inflation of Reducing Agricultural Price Distortions in Eastern Europe and the Soviet Union," and "Creating Conditions for the Development of Competitive Markets in Economies in Transition" (coauthored with Hans J. Blommestein).

JAMES MONTGOMERY published "Equilibrium Wage Dispersion and Interindustry Wage Differentials" in *Quarterly Journal of Economics*, Vol, 106, (February 1991): 163-79.

LEON N. MOSES distributed a working paper "The Effectiveness of Motor Carrier Safety Audits" (with Ian Savage). The paper will appear in *Accident Analysis and Policy*. A second paper by Moses and Savage, "Hazardous Materials Carriers: Who Are They? How Safe Are They?" appeared in the proceedings of a conference on the Transportation of Hazardous Materials, *HAZMAT 91*, The Transportation Center, October 1991. Moses was co-chair and editor of this volume.

ANDREW F. NEWMAN published "Risk-Bearing and the Theory of Income Distribution" (with Abhijit V. Banerjee) in *The Review of Economic Studies*, April, 1991. "The Capital Market, the Wealth Distribution and the Employment Relation" and "Occupational Choice and the Process of Development" (with Abhijit V. Banerjee) are available as CMSEMS discussion papers nos. 951 and 911.

THOMAS RIETZ finished work on "Arbitrage, Asset Prices and Risk Allocation in Experimental Markets" (CMSEMS #958). "An Experimental Study of Voting Rules and Polls in Three-Way Elections" (CMSEMS #927R with Robert Forsythe, Roger Myerson, and Robert Weber) and "Polls, Position and Coordination in Three-Way Elections" (CMSEMS #962 with Robert Forsythe, Roger Myerson, and Robert Weber) were also published.

IAN SAVAGE published "Psychological Features Affecting Valuation of Life" in *Economic Letters*, vol. 35(4), pp. 379-383. His paper joint with Leon N. Moses "Motor Carriers of Hazardous Materials: Who are They? How Safe are They?" appeared in the Proceedings of Northwestern University's Transportation Center *Hazmat Transport '91 Conference*.

CHRIS UDRY reviewed D.Bevan, P.Collier and J. Gunnings's book *Peasants and Governments: An Economic Analysis* appeared in the *Economic Journal*, vol. 101, no. 408. His paper "A Competitive Analysis of Rural Credit: State-Contingent Loans in Northern Nigeria" appeared as Economic Growth Center Discussion Paper no. 630, Yale University, April 1991, and "Risk, Insurance and Default in a Rural Credit Market: An

Empirical Investigation in Northern Nigeria" as Economic Growth Center Discussion Paper no. 636, Yale University, July 1991.

DAN VINCENT completed "The Afternoon Effect" and "Updating the Reserve Price in Common Value Auctions," both with R. Preston McAfee (University of Texas, Austin).

*VISITING SPEAKERS*

JOHN ABOWD, Cornell University, "Contingent Compensation and Corporate Performance"

FRANKLIN ALLEN, University of Pennsylvania, "Measurement Distortion and Missing Contingencies in Optimal Contracts"

JAMES ANDREONI, University of Wisconsin, "An Econometric Analysis of Charitable Giving with Interdependent Preferences"

PRANAB BARDHAN, University of California, Berkeley, "Economic Development, the State, and the Soft Budget Constraint"

DAVE BARON, Stanford and Harvard University, "Campaign Contributions and Party Candidate Competition"

FRED BATEMAN, Indiana University, "Did the U.S. Industrialize too Slowly?"

GARY S. BECKER, University of Chicago, "On Habits, Addictions and Traditions"

BEN BERNANKE, Princeton University, "On the Predictive Power of Interest Rates and Interest Rate Spreads"

JEAN BROOKS-GUNN and GREG DUNCAN, University of Michigan Institute for Social Research, "The Effects of Middle-Class Neighbors on Mother-Child Interaction and Teenage Behavior"

JOHN CAMPBELL, Princeton University, "Intertemporal Asset Pricing without Consumption"

ALFRED D. CHANDLER, Jr., Harvard University, "Future Challenges for Organizational Studies"

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CARMEL CHISWICK, University of Illinois, "The Economics of the Underclass: Theory and Definition"

LINDA COHEN, University of California-Irvine, "How to Vote, Whether to Vote: Strategies for Voting and Abstaining on Congressional Roll Calls" (with Roger G. Noll)

KENT DANIEL, UCLA, "Common Stock Returns and the Business Cycle"

SHELDON DANZIGER, University of Michigan (with Kevin Murphy, University of Chicago) "Educational Attainment, Industrial Structure, and the Trend in Low Earnings" (with Gregory Acs)

CARL DAVIDSON, Michigan State University, "Effects of a Reemployment Bonus Under Differing Benefit Entitlements"

WOUTER DEN HAAN, Carnegie-Mellon University, "The Term Structure of Interest Rates in Real and Monetary Production Economies"

GREG DUNCAN and JEAN BROOKS-GUNN, University of Michigan Institute for Social Research, "The Effects of Middle-Class Neighbors on Mother-Child Interaction and Teenage Behavior"

PHILIP DYBVIG, Washington University, St. Louis, "Correlated Non-Trading"

WILLIAM B. ENGLISH, University of Pennsylvania, "When America Defaulted: American State Debts in the 1840's"

HENRY FARBER, MIT, "Learning and Wage Dynamics" (with Robert Gibbons)

ERIC FISHER, Cornell University, "Simple Growth in the Overlapping Generations Model"

RICHARD FREEMAN, Harvard, "The Urban Poor in Tight and Loose Labor Markets: Boston vs. Chicago"

NANCY GALLINI, University of Toronto, "Dual Distribution and Franchising"

MARK GERTLER, New York University, "Monetary Policy, Business Cycles and the Behavior of Small Manufacturing Firms"

MATT GOLDBERG, Institute for Defense Analysis, "Economic Behavior of Military Aircraft Manufacturers"

FARUK GUL, Stanford University, "Equilibrium, Rationality, and the Bayesian View"

MICHAEL HAINES, Colgate University, "Home Ownership and Housing Demand in Late Nineteenth-Century America: Evidence from State Labor Reports"

BRUCE HANSEN, University of Rochester, "Inference When a Nuisance Parameter is not Identified Under the Null Hypothesis"

LARS HANSEN, University of Chicago, "Detection of Specification Errors in Stochastic Discount Factor Models"

MICHAEL A. HITT, Texas A&M University, "Acquisitions, Strategic Refocusing and Innovation"

ERIC HUGHSON, California Institute of Technology, "Intraday Trade in Dealership Markets"

TAKATOSHI ITO, Minneapolis Federal Reserve, "Where does the Meteor Shower Come From? The Role of Stochastic Policy Coordination"

JOYCE JACOBSEN, Rhodes College and Northwestern University, "Employment Growth, Segregation, and Relative Earnings by Race and Sex"

MICHIHIRO KANDORI, Princeton University, "Learning, Mutation and Long Run Equilibria in Games" (with G. Mailath and R. Rob)

LARRY KATZ, Harvard University, "Changes in the Structure of Wages in the Public and Private Sectors"

DAN KLEIN, University of California, Irvine, "Economy, Community and Law: The Turnpike Movement in New York, 1797-1845"

KEN KLETZER, Yale, "Renegotiation of Sovereign Debt in a Consumption-Smoothing Model"

ROGER KOENKER, University of Illinois, "Memory Lapses: Moment Expansions and the Robustness of Minimum Distance Estimation"

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JOSEF LAKONISHOK, University of Illinois, Champaign, "Performance Measurement Methodology and the Question of Whether Stocks Overreact"

RICHARD LINDSEY, University of California, Berkeley, "Market Makers, Asymmetric Information and Price Formation"

LARS LUNGQVIST, University of Wisconsin-Madison, "Economic Underdevelopment: The Case of a Missing Market for Human Capital"

ALBERT MA, Boston University, "Renegotiation and Optimality in Agency Contracts"

RODY MANUELLI, Stanford University, "Optimal Taxation in Models of Endogenous Growth"

AKI MATSUI, University of Pennsylvania, "The Roles of Public Information and Pre-Play Communication in Evolutionary Games" (With R. Rob)

COSTAS MEGHIR, University College, London, "Dynamic Models of Employment Based on Firm Level Panel Data"

PAUL MILGROM, Stanford, "Complementarities and Core Competencies in the Theory of the Firm"

JOHN NYE, Washington University, St. Louis, "Hegemony Trade and Economic Rivalry in Nineteenth Century Britain and France"

KEVIN O'ROURKE, Columbia University, "Winners and Losers in the Economic Growth Game: Denmark and Ireland Compared"

LAURA J. OWEN, DePaul University, "Worker Turnover in the 1920s: What Labor Supply Arguments Don't Tell Us"

PIERRE PERRON, Princeton, "A Test for Changes in a Polynomial Trend Function for a Dynamic Time Series"

TORSTEN PERSSON, U.C. Berkeley and IIES, "Is Inequality Harmful for Growth? Theory and Evidence"

CHRISTOPHER PISSARIDES, London School of Economics, "Unemployment Fluctuations with Different Job Durations"

SIDNEY POLLARD, University of Sheffield, "Entrepreneurship"

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DANNY QUAH, MIT, "Openness and the Rate of Economic Growth"

RAGHURAM RAJAN, Massachusetts Institute of Technology, "Insiders and Outsiders: The Choice Between Relationship and Arms-Length Debt"

ROGER RANSOM, University of California, Riverside, "Two Paths West: Economic Growth and Sectional Differences in the United States, 1800-1865"

ASAF RAZIN, University of Chicago, "International Tax Competition"

MIKE RIORDAN, Boston University, "Learning to Compete and Vice Versa"

MARK ROSENZWEIG, University of Pennsylvania, "Wealth, Weather Risk and Agricultural Investment"

ARIEL RUBINSTEIN, Tel Aviv University, "On the Interpretation of the Nash Bargaining Solution Extension to Non-Expected Utility"

PAUL RUUD, University of California, Berkeley, "Density Weighted Least Squares"

SETH SANDERS, University of Chicago, "The Effects of Local Labor Markets on Work and Welfare" (with Joe Hotz and Julie Brines, University, of Chicago)

PETER SCHMIDT, Michigan State University, "Testing the Null of Stationarity Against the Alternative of a Unit Root"

KENNETH L. SOKOLOFF, UCLA and NBER, "The Organization of Manufacturing During Early Industrialization: The Contrast Between Britain and the United States" (with David R. Dollar)

ARIS SPANOS, Virginia Polytechnic Institute, "Modeling Dynamic Heteroskedasticity using Thick-Tailed Distributions: The Student's  $t$  and Related Linear Models"

RICHARD STANTON, Stanford University, "Rational Prepayment and the Valuation of Mortgage-Backed Securities"

STEVE STERN, University of Virginia, "Job Exit Behavior of Older Men"

BERNDT STIGUM, University of Oslo and UCSD, "An Axiomatic Approach to Empirical Economics"

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DAVE SURDAM, University of Chicago, "A Case of Regicide -- The Strange Demise of King Cotton"

KOTARO SUZUMURA, Hitotsubashi University, Tokyo, "Individual Rights Revisited"

JOHN TREBLE, University of Essex, "Random Work Assignment, Earnings Equilization and the Supply of Effort: A Puzzle in Institutional Design from County Durham in the Early 1890's"

ANDREW VAN DE VEN, University of Minnesota, "Recent Studies on Innovation"

XAVIER VIVES, Barcelona, "How Fast do Rational Agents Learn?"

KARL WARNERYD, Stockholm School of Economics, "Language and Coordination in Economics"

BILL WATERS, University of British Columbia, "The Measurement of Railroad Productivity: Before and After Deregulation"

KEN WEST, University of Wisconsin, "Comparison of Some Models of Exchange Rate Volatility"

ROBERT WHITELOW, Stanford University, "Variations in Bond Yields and the Predictability of the Expectations and Volatility of Stock Returns"

STEVE WIGGINS, Texas A&M, "Imperfect Information, Multilateral Bargaining, and Unitization: An Experimental Analysis"

ANDREW WINTON, The Wharton School, University of Pennsylvania, "Limitation of Liability and Corporate Form"