INDIANA UNIVERSITY

DEPARTMENT OF ECONOMICS

Program

Advances in Econometrics In Honor of Joon Y. Park

Indiana Memorial Union, Indiana University
September 29-30, 2023

COLLEGE OF ARTS AND SCIENCES
INDIANA UNIVERSITY
Bloomington

Economics
College of Arts and Science
University of Missouri

CAEPR Center for Applied Economics and Policy Research

KELLEY SCHOOL OF BUSINESS
BUSINESS ECONOMICS AND PUBLIC POLICY

O'NEILL
SCHOOL OF PUBLIC AND ENVIRONMENTAL AFFAIRS

STATA

JOON Y. PARK

Over his career, Professor Joon Y. Park has made significant contributions in many areas of econometrics, including nonstationary and trending series, bootstrapping, continuous-time econometrics, financial econometrics, functional data analysis, the econometric analysis of big data and machine learning and long-run forecasting of energy consumption.

Organizers

Yoosoon Chang (Indiana University)

Simon Lee (Columbia University)

J. Isaac (Zack) Miller (University of Missouri)

Thomas B. Fomby (Southern Methodist University, AiE editor)

Sponsors

Department of Economics, Indiana University

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Yongok Choi, Chung-Ang University

Ken Weakley, Indiana University

Contents

PROGRAM

Pre-Conference

Day 0 Thursday, September 28, 2023

~6:00pm **Casual Pre-Conference Dinner**

Residence of Yoosoon Chang and Joon Park

Main Conference

Day 1 Friday, September 29, 2023

7:45 - 8:15 **Breakfast and Registration**

Frangipani Room

8:15 – 8:30 **Opening Remarks**

Frangipani Room

Yoosoon Chang (Indiana University, US)
Rick Van Kooten (Executive Dean, College of Arts and Sciences, Indiana University, US)
Tom Fomby (Southern Methodist University, US)
Michael Kaganovich (Chair, Department of Economics, Indiana University, US)

8:30 - 9:40 **Session 1-1: Panel Discussion on Past, Present and Future of Macroeconometrics and Empirical Macro**

Frangipani Room Chair: **Eric Leeper** (University of Virginia, US)

Marcelle Chauvet (University of California, Riverside, US)
Steve Durlauf (University of Chicago, US)
Lutz Kilian (Federal Reserve Bank of Dallas, US)
Esfandiar Maasoumi (Emory University, US)
Peter Robinson (London School of Economics, UK)
Frank Schorfheide (University of Pennsylvania, US)

9:40 – 10:10 **Coffee Break**

Frangipani Room

10:10 – 10:55 **Session 1-2: Time Series & Macroeconometrics I**

Frangipani Room Chair: **Uwe Hassler** (Goethe-Universität Frankfurt, Germany)

Michael McCracken (Federal Reserve Bank of St. Louis, US)
"*Growth-at-Risk is Investment-at-Risk*"

Morten Nielsen (Arhus University, Denmark)
"*Bootstrap Inference in the Presence of Bias*"

Zhijie Xiao (Boston College, US)
"*Functional Quantile Autoregression*"

10:55 – 11:15 Coffee Break

Frangipani Room

11:15 – 12:00 Session 1-3: Microeconometrics and Panel Data

Frangipani Room

Chair: **Don Andrews** (Yale University, US)

Cheng Hsiao (University of Southern California, US)
"*Panel Treatment Effects Measurement – Factor or Linear Projection Modeling*"

Xiaoxia Shi (University of Wisconsin – Madison, US)
"*Testing Inequalities Linear in Nuisance Parameters*"

Robin Sickles (Rice University, US)
"*Beyond Borders: How Spillovers and Commercial Networks Shape European Productivity*"

12:00 - 1:30 Lunch and Poster Session I

Frangipani Room — Assorted Box Lunches

Georgian Room — Poster Session I - **See List of Presenters on Pages 6-7**

1:30 – 2:40 Session 1-4: Panel Discussion on Past, Present and Future of Microeconometrics and Empirical Micro

Frangipani Room

Chair: **James Powell** (University of Arizona, US)

Bruce Hansen (University of Wisconsin–Madison, US)
Joel Horowitz (Northwestern University, US)
Hidehiko Ichimura (University of Arizona, US and University of Tokyo, Japan)
Shakeeb Khan (Boston College, US)
Yuichi Kitamura (Yale University, US)
Jeff Wooldridge (Michigan State University, US)

2:40 - 3:10 Coffee Break

Frangipani Room

3:10 – 3:55 Session 1-5: Econometric Theory I

Frangipani Room

Chair: **Yoon-Jae Whang** (Seoul National University, Korea)

Patrik Guggenberger (Penn State University, US)
"*New Results on Minimax Regret Treatment Rules with Finite Samples*"

Werner Ploberger (Washington University in St. Louis, US)
"*Optimal Estimation of Parameters with Infinite Dimensions*"

Kevin Kyungchul Song (University of British Columbia, Canada)
"*The Law of Large Numbers for Large Stable Matchings*"

3:55 – 4:15 Coffee Break

Frangipani Room

4:15 – 5:00 **Session 1-6: Time Series & Macroeconometrics II**

Frangipani Room — Chair: **Chung-Ming Kuan** (National Taiwan University, Taiwan)

Bin Chen (University of Rochester, US)
"*Useful Factors Are Fewer Than You Think: Multiple Testing With Time-Varying Factor Models*"

Javier Hidalgo (London School of Economics, UK)
"*Testing for Additivity in Nonparametric Models*"

Tim Vogelsang (Michigan State University, US)
"*Testing Hypotheses About Ratios of Linear Trend Slopes in Systems of Equations with a Focus on Tests of Equal Trend Ratios*"

5:00 - 6:30 **Reception and Poster Session II**

Tudor Room — Reception

Welcome Remarks

Provost Rahul Shrivastav (Indiana University, US)

Georgian Room — Poster Session II - **See List of Presenters on Pages 6-7**

6:30 – 8:30 **Conference Dinner**

Tudor Room — Buffet Dinner

Program: *Master of Ceremony:* **Steven Durlauf** (University of Chicago, US)

Keynote Address on Past, Present and Future of Econometrics

Lars Peter Hansen (University of Chicago, US)

Dinner Speeches

Peter C.B. Phillips (Yale University US; University of Auckland, New Zealand)
Robert F. Engle (New York University, US)
Fumio Hayashi (National Graduate Institute of Technology, Japan)
Whitney K. Newey (Massachusetts Institute of Technology, US)
Sam Yoo (Yonsei University, Korea)

Day 2 — Saturday, September 30, 2023

8:00 - 8:30 **Breakfast**

Frangipani Room

8:30 - 9:40 **Session 2-1: Panel Discussion on Past, Present and Future of Financial Econometrics and Empirical Finance**

Frangipani Room — Chair: **Tim Bollerslev** (Duke University, US)

Richard Baillie (Michigan State University, US)
Federico Bandi (Johns Hopkins University, US)

Jean-Marie Dufour (McGill University, Canada)
Rene Garcia (University of Montreal, Canada)
Nour Meddahi (Toulouse School of Economics, France)
Enrique Sentana (Center for Monetary and Financial Studies, Spain)

9:40 – 10:10 **Coffee Break**

Frangipani Room

10:10 – 10:55 **Session 2-2: Econometric Theory II**

Frangipani Room

Chair: **Yanqin Fan** (University of Washington, US)

Marine Carassco (University of Montreal, Canada)
"*Kernel Estimation of the Density of a Change-Point*"

Juan Carlos Escanciano (Universidad Carlos III de Madrid, Spain)
"*Debiased Semiparametric U-Statistics: Machine Learning Inference on Inequality of Opportunity*"

Myung Hwan Seo (Seoul National University, Korea)
"*Inference for Parameters Identified by Conditional Moment Restrictions Using a Generalized Bierens Maximum Statistic*"

10:55 – 11:15 **Coffee Break**

Frangipani Room

11:15 – 12:00 **Session 2-3: Time Series & Macroeconometrics III**

Frangipani Room

Chair: **Junsoo Lee** (University of Alabama, US)

Vadim Marmer (University of British Columbia, Canada)
"*Modeling Long Cycles*"

Benoit Perron (University of Montreal, Canada)
"*Bootstrap Inference for Group Factor Models*"

Tatevik Sekhposyan (Texas A&M University, US)
"*Networking the Yield Curve Surprises: Implications for Monetary Policy*"

12:00 - 1:30 **Lunch and Poster Session III**

Frangipani Room

Assorted Box Lunches

Georgian Room

Poster Session III - **See List of Presenters on Pages 6-7**

1:30 – 2:40 **Session 2-4: Panel Discussion on Past, Present and Future of Big Data Analysis, Machine Learning and Computation**

Frangipani Room

Chair: **Kosali Simon** (Indiana University, US)

Yacine Ait-Sahalia (Princeton University, US)
Mehmet Caner (North Carolina State University, US)
Xiaohong Chen (Yale University, US)
Frank Diebold (University of Pennsylvania, US)
Domenico Giannone (Amazon, US)
Dacheng Xiu (University of Chicago, US)

2:40 - 3:10 **Coffee Break**

Frangipani Room

3:10 – 3:55 **Session 2-5: Time Series & Financial Econometrics**

Frangipani Room

Chair: **Peter Pedroni** (Williams College, US)

Philippe Goulet Coulombe (Université du Québec à Montréal, Canada)

"*Maximally Machine-Learnable Portfolios*"

Peter Hansen (University of North Carolina at Chapel Hill, US)

"*Robust Estimation of Realized Correlation*"

Hwagyun Hagen Kim (Texas A&M University, US)

"*Persistent Bubbles*"

3:55 – 4:15 **Coffee Break**

Frangipani Room

4:15 – 5:00 **Session 2-6: Time Series & Macroeconometrics IV**

Frangipani Room

Chair: **Farshid Vahid** (Monash University, Australia)

Junior Maih (Norges Bank, Norway)

"*Efficient Solution and Estimation of Rare Disaster Models in a Regime-Switching DSGE Framework*"

Christian Matthes (Indiana University, US)

"*Monetary Policy Shocks: Data or Methods?*"

Moto Shintani (University of Tokyo, Japan**)**

"*Estimating a Behavioral New Keynesian Model with the Zero Lower Bound*"

5:00 **End of Conference**

6:00 – 9:00 **Post-Conference Dinner**

Residence of Yoosoon Chang and Joon Park

Post-Conference

Day 3 Sunday, October 1, 2023

Optional Social Activities

Morning excursion options:

1. Hiking, Brown County State Park
2. Cooking class: learn directly from the cooks who will prepare food for Thursday and Saturday dinners how to cook three most famous Korean dishes – kimchi, bulgogi-galbi, kimbap.

Lunch at residence of Yoosoon Chang and Joon Park

Afternoon excursion: Explore IU and Bloomington – Boating on Lake Monroe (weather permitting), local chocolates, coffee, beer and spirits!

Casual dinner at a local pizzeria

Poster Session Presenters

Poster Session 1 (Friday, 12:00-1:30)

Alyssa Carlson (University of Missouri, US)

"*Estimation of Nonlinear Dynamic Panel Data Model with Attrition*"

Federico Andres Bugni (Northwestern University, US)

"*Inference for Cluster Randomized Experiments with Non-ignorable Cluster Sizes*"

John Chao (University of Maryland, US)

"*Consistent Estimation, Variable Selection, and Forecasting in Factor-Augmented VAR Models*"

Seungmoon Choi (University of Seoul, Korea)

"*Closed-Form Transition Density Expansions for Multivariate Time-inhomogeneous Jump Diffusions*"

Yongok Choi (Chung-Ang University, Korea)

"*Modelling Time-Varying Temperature Effects on Electricity Demand: A Functional Regression Approach*"

Fotis Grigoris (University of Iowa, US)

"*Inflation and the Relative Price Premium*"

Bo Hu (Peking University, China)

"*Analysis of Intergenerational Mobility Using Markovian Transition*"

Jungbin Hwang (University of Connecticut, US)

"*Higher-order Accuracy of HAR Inference and Testing-oriented Smoothing Parameter Selection in Optimal GMM*"

Kunho Kim (Concordia University, Concordia)

"*Simultaneous Inference of Regression with Time-varying Random Coefficients*"

Ye Lu (University of Sydney, Australia)

"*Quasi-random Maximum Simulated Likelihood Estimation of Factor Copula Models*"

Kyungsik Nam (Korea Energy Economics Institute, Korea)

"*Estimating the Impact of Climate Change on World Economic Activity*"

Hiroshi Yamada (Hiroshima University, Japan)

"*Non-negative Definite Matrix Penalized Filter with Quantile Regression Loss Function*"

Poster Session 2 (Friday, 5:00-6:30)

Irene Botosaru (McMaster University, Canada)

"*Identification of Time-Varying Counterfactual Parameters in Nonlinear Panel Models*"

Harold D Chiang (University of Wisconsin-Madison, US)

"*Cluster-Robust Inference Robust to Large Clusters*"

Ulrich Hounyo (University at Albany-State University of New York, US)

"*Heteroskedasticity and Autocorrelation Robust Test for Cross-Sectional Correlation in Large Panel Models*"

Robert de Jong (Ohio State University, US)

"*Minimizing Quasiconvex Objective Functions*"

John Kim (Florida State University, US)

"*Investor Learning and the Aggregate Allocation of Capital to Active Management*"

Bonsoo Koo (Monash University, Australia)

"*Disentangling Structural Breaks in High Dimensional Factor Models*"

S. Jay Lee (Seoul National University, Korea)

"*What Impulse Response Do Instrumental Variables Identify?*"

Yoonseok Lee (Syracuse University, US)

"*Threshold Regression with Nonparametric Sample Splitting*"

Laura Liu (University of Pittsburgh, US)

"*Binary Models with Extreme Covariates: Estimation and Prediction*"

Youngki Shin (McMaster University, Canada)

"*Fast Inference for Quantile Regression with Tens of Millions of Observations*"

Pipat Wongsaart (City University of London, UK)

"*Variations in Lockdown Strategies Versus Country-specific Effects in Explaining Discrete Observations of Covid19 Cases: A Spatial Analysis Approach*"

Poster Session 3 (Saturday, 12:00-1:30)

Fabio Gomez-Rodriguez (Lehigh University, US)

"*The Effects of Economic Shocks on Heterogeneous Inflation Expectations*"

Hanbat Jeong (Ohio State University, US)

"*Maximum Likelihood Estimation of a Spatial Autoregressive Hurdle Model for Origin-destination Flow Variables*"

Shin Kanaya (University of Essex, UK and Kyoto University, Japan)

"*Optimal Kernels for Density Estimation Revisited*"

Sukjin Han (University of Bristol, UK)

"*Individualized Treatment Allocations with Distributional Welfare*"

Yun-Yeong Kim (Dankook University, Korea)

"*Optimal Best Linear Prediction in Multiple-Cointegrated Systems*"

Alex Maynard (University of Guelph, Canada)

"*Robust Conditional Kurtosis and the Cross-Section of International Stock Returns*"

Alessandro Melone (Ohio State University, US)

"*Anomaly Predictability with the Mean-Variance Portfolio*"

Chris Muris (McMaster University, Canada)

"*Fixed Effects 2SLS for the Linear Panel Models with Feedback*"

Suyong Song (University of Iowa, US)

"*Informational Content of CEO Tweets and Stock Market Predictability*"

Cindy Shin-Huei Wang (HSBC Business School, Peking University, China and UK Campus)

"*Return and Volatility Forecasting in Mixed Panels*"

Guo Yan (University of Melbourne, Australia)

"*Machine Learning in Econometric Models: Using SVM to Estimate and Predict Binary Choice Models*"

Jin-Huei Yeh (National Central University, Taiwan)

"*Factorizing, Forecasting and Monitoring Inflation*"

Participants

Yacine Ait-Sahalia (Princeton University, US)
Michael Alexeev (Indiana University, US)
Ala Avoyan (Indiana University, US)
Don Andrews (Yale University, US)
Fahid Baba Yara (Indiana University, US)
Yuehao Bai (University of Michigan, US)
Richard Baillie (Michigan State University, US)
Federico Bandi (Johns Hopkins University, US)
Yong Bao (Purdue University, US)
Robert Becker (Indiana University, US)
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Chi-Young Choi (University of Texas at Arlington, US)
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Javier Hidalgo (London School of Economics, UK)
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