



## Upcoming Seminars

### **Wednesday, 19.4.2017    Macro & Econometrics Seminar**

**14.00-15.00**

AWI 01.030

Lena Dräger, Johannes Gutenberg-University Mainz

"Are Consumers Planning Consumption According to an Euler Equation"

## Abstract

### **Macro & Econometrics Seminar**

Lena Dräger

"Are Consumers Planning Consumption According to an Euler Equation?"

Evaluating a new survey dataset of German consumers, we test whether individual consumption plans are formed according to an Euler equation derived from consumption life-cycle models. Estimating several consumption Euler equations, the results are mostly in line with the theory: We find evidence of consumption smoothing, since individual current and planned spending are positively correlated. In addition, current spending is positively correlated with both quantitative and qualitative inflation expectations, and negatively with quantitative nominal interest rate expectations. Overall, this results in a negative link between current spending and implied real interest rate expectations, where the weaker effect of nominal interest rate expectations might be due to the current zero-lower-bound environment. As expected, the effect of perceived real interest rates is most pronounced for consumers who are active on financial markets. Finally, economic news on inflation and financial market developments observed by the consumer strengthen the effects of their interest rate and inflation expectations on current spending.

## Talks and Research Visits

**Isabel Marcin** stayed at the George Mason University for research visit with César Martinelli from March 31 to April 7. She gave a talk on "Communication is more than information sharing: the role of knowledge", March 31.

**Stefan Trautmann** gave a talk on "Implementing Fair Procedures?" at the Vienna Center for Experimental Economics, Vienna, March 31.

**Florian Kauffeldt** presented the paper "Does mutual knowledge of preferences lead to more Nash equilibrium play? Experimental evidence" at the University of Exeter, March 22.

**Jonas Dovern** presented his paper "The Effect of Recessions on Potential Output Estimates: Size, Timing, and Determinants" (with Christopher Zuber) at a seminar at the University of Birmingham, March 21.

**Michael Schleicher** presented the paper "Ethnic Favoritism in Targeted Welfare Programs: Evidence from Burkina Faso" at the Frankfurt-Heidelberg-Mannheim (FHM) Development Workshop, in Frankfurt, APRIL 11, and at the Annual Conference of the Centre for the Study of African Economies, in Oxford, March 19-21.

**Stefan Trautmann** gave a talk on "Inequality, unfairness, and social capital", at the New York University Abu Dhabi, March 15.

**Christian Conrad** gave a talk on "Testing for an Omitted Long-Term Component in Multiplicative GARCH Models" (joint paper with Melanie Schienle) at the Vienna-Copenhagen Conference on Financial Econometrics, Vienna, March 9-11.

**Gerda Asmus, Andreas Fuchs and Angelika Müller** presented their paper "BRICS and Foreign Aid" at the Conference on BRICS and the Global Economy, National University of Singapore, March 2-3.

**Florian Kauffeldt** presented the paper "Strategic behavior of non-expected utility players in games with payoff uncertainty" at the Paris-Dauphine University, March 2.

**Zeno Enders** gave a talk on 'DSGE Models for Germany and the Euro Area' at the German Council of Economic Experts (Sachverständigenrat) in Wiesbaden, February 7.

**Johannes Diederich** presented the paper "Direct vs. Indirect Variations in the Price of Giving: Experimental Evidence" (joint work with Catherine Eckel, Timo Goeschl, and Phil Grossman) at the 2nd Workshop on Experimental Economics for the Environment, Bremen, February 3.

## New Publications

Jonas Dovern's paper "Systematic Errors in Growth Expectations over the Business Cycle" (with Nils Jannsen) was accepted for publication by the International Journal of Forecasting.

Merk, C. & Pönitzsch, G. (2017) The Role of Affect in Attitude Formation toward New Technologies: The Case of Stratospheric Aerosol Injection, Risk Analysis, doi:10.1111/risa.12780.

## Miscellaneous

**Baby Boom:** Congratulations to Christine Binzel and her partner Dietmar Fehr on the birth of a baby girl, born April 5, to Zeno Enders and his wife Almira to a daughter, born February 20, and to Fabian Krüger and his wife Julia to a girl, born January 27.

## New and Leaving Staff

**Michael Stollenwerk** (AWI room 00.023) joined the AWI as a Ph.D. candidate under the supervision of Prof. Dr. Christian Conrad. He holds a M.Sc. in Economics and a B.Sc. in Business Administration from the University of Cologne. His fields of interest are financial econometrics, especially volatility analysis and volatility forecasts, and the emerging African economies.



**Editorial deadline for issue 07/2017 of the newsletter:  
Wednesday, April 19, 2017, 12 p.m.  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)**

If you would like to receive the newsletter by email,  
please contact the address above.