



Upcoming Seminars

Monday, 25.7.2022

Macro & Econometrics Seminar

13.30-14.30
AWI room 00.010

Marc-Oliver Pohle, Frankfurt University
"Generalised Correlation"
(host: Timo Dimitriadis)

Wednesday, 27.7.2022

Special Seminar

10.00-16.30
AWI room 01.030

"Economic Expectations, Survey Data, and Experiments"

Wednesday, 27.7.2022

Departmental Seminar

13.30-14.30
AWI room 00.010

Michael Weber, Chicago Booth
"Memory and Beliefs: Evidence from the Field"

Macro & Econometrics Seminar

Marc-Oliver Pohle

"Generalised Correlation"*

We introduce and examine new (classes of) dependence measures. Generalised correlation allows to measure dependence between two random variables X and Y around arbitrary statistical functionals $T_1(X)$ and $T_2(Y)$ just as Pearson correlation measures dependence around their means. It has favourable theoretical properties and a multitude of practically relevant measures arise from this class, for example quantile correlation. Generalised (quantile) correlation is akin to the extension of mean or least squares regression to generalised (quantile) regression. Quantile and the related threshold correlation make it possible to measure dependence locally, for example to analyse tail dependence. When choosing distribution functions as functionals we arrive at distributional correlations, which are two-dimensional functions lying between -1 and 1 . They uncover the full dependence structure between X and Y and are closely related as well as natural complements in statistical analysis to the joint CDF and the copula. To condense the full dependence structure into a single number we finally introduce summary correlations as appropriately normalized integrals over distributional covariances with respect to arbitrary measures. Interesting new measures arise, but also Spearman's ρ , Kendall's τ and an improved version of Pearson correlation as canonical special cases..

*with Tobias Fissler

Departmental Seminar

Michael Weber

"Memory and Beliefs: Evidence from the Field"*

We propose a unique setting to test in the field a set of predictions on the role of memory in the recall of economic signals and the formation of subjective economic expectations, which earlier laboratory research has documented. Our setting includes, for a large and representative sample of US households, detailed information on the prices and quantities of goods purchased over a calendar year paired with survey information on economic perceptions and expectations. First, we find descriptive evidence consistent with the properties of memory databases (collections of price signals agents observe in their daily lives), whereby agents who observe more price changes are more likely to observe zero price changes and smaller price changes in absolute value. Consistent with the notion of selective recall, we find that agents who observe larger price changes perceive and expect higher inflation. Moreover, we document evidence consistent with the two forms of interference the cognitive psychology literature proposes---proactive interference, whereby agents mistakenly recall older prices and hence lower prices than they actually paid, and retroactive interference, whereby agents are less likely to use the price changes they observe when other sources of information about inflation are salient to them.

*with Francesco D'Acunto

Talks and Research visits

Michael Weber, Professor of Finance at Chicago Booth and visiting professor at the AWI, will be at the AWI between July 25 and August 5. His research interests include asset pricing, macroeconomics, international finance, and household finance, for which he often employs household surveys. His webpage is linked [here](#). If you are interested in bilateral talks, drop him a line at Michael.Weber@chicagobooth.edu.

At the *Foundations of Utility and Risk* (FUR) in Ghent, July 11-14 the following papers were presented: **Christoph Becker**: "Reverse Bayesianism: Revising Beliefs in Light of Unforeseen Events"; **Florian Diekert**: "Does nature shape economic preferences? Evidence from Chile, Norway and Tanzania"; **Timo Goeschl**: "The Experience of Social Risk"; **Andis Sofianos**: "Intelligence Disclosure and Cooperation in Repeated Interactions"; **Stefan Trautmann**: "Preferences for Precautionary Redistribution?".

Miscellaneous

Die [Juli-Ausgabe](#) des Rhein-Neckar Wirtschaftsmagazins *econo* beinhaltet ein Interview mit Zeno Enders, in dem es um Inflationsprognosen, Geldpolitik und die Effekte von Inflation auf verschiedene wirtschaftliche Akteure geht.

Editorial deadline for issue 18/2022 of the newsletter:
Wednesday, July 27, 2022, 12 p.m.
newsletter@awi.uni-heidelberg.de