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AWI This Week

Monday, 4.5.15

Departmental Seminar

17.15-18.45

AWI 00.010

Joachim Grammig, University of Tübingen

"Empirical Asset Pricing with Long-Run Consumption Risk:
An Indirect Inference Approach"

Wednesday, 6.5.15

Internal Seminar

12.15-13.15

AWI 00.010

Verena Lauber

"The Effect of Family-Friendly Firm Policies on Parental Well-
Being and Working Time"

Departmental Seminar

Joachim Grammig

"Empirical Asset Pricing with Long-Run Consumption Risk:
An Indirect Inference Approach"

Accounting for long-run consumption risk (LRR) provides a theoretically appealing explanation for prominent puzzles of macro-finance. However, the complex LRR model structure precludes the application of standard econometric methods. We present a flexible two-step indirect inference approach that disentangles the estimation of macroeconomic dynamics and investor risk preferences, and can accommodate mixed sampling frequencies. A simulation study explores the limits of estimation precision and identification. The empirical application shows that the U.S. postwar equity premium is consistent with plausible point estimates of the investor's preference parameters. However, estimation precision is inevitably restricted by the available data.

Internal Seminar

Verena Lauber

"The Effect of Family-Friendly Firm Policies on Parental Well-Being and Working Time"

This paper provides novel evidence on the effect of family-friendly firm policies on well-being and working time of parents. The focus of this study is on two specific firm policies: Childcare support and flexible working schedules. We exploit the fact that since the mid 2000s an increasing share of employers react to their employees' needs by offering a family-friendly work environment. These changes over time allow us to identify causal effects of the two family-friendly policies. Identification is based on difference-in-differences and lagged dependent variable strategies in a panel dataset on families with young children in Germany (FiD). The panel models are combined with matching to decrease potential bias arising from observable factors correlated with the offer of family-friendly policies and the change in the considered outcomes. We find that for mothers, childcare support strongly increases satisfaction related to childcare and additionally raises life and job satisfaction. Particularly middle and lower educated mothers increase their working time when childcare support is offered. The effects are mainly driven by immediate use of childcare support. Flexible working schedules only affect mothers' job satisfaction, but do not seem to change family related satisfaction and working time. Fathers show nearly no reactions to either childcare support or flexible working schedules. Childcare support seems to be a truly family-friendly practice and valued by mothers, while this is not so clear for flexible working schedules.

Talks and Research Visits

Christiane Schwieren presented "Chronic Stress promotes Risk Loving Behavior in Young Adults" (Joint work with Smarandita Ceccato and Brigitte Kudielka) at the 2nd IMEBESS conference in Toulouse, April 14-18.

Christina Gathmann presented the paper "Trial and Error? Policy Experimentation during the US Welfare Reform" (joint with Andreas Bernecker and Pierre Boyer, University of Mannheim) at the IEB Barcelona, March 17.

New Working Papers

Timo Goeschl and Grischa Perino: "The Climate Policy Hold-Up: Green Technologies, Intellectual Property Rights, and the Abatement Incentives of International Agreements", University of Heidelberg, AWI Discussion Paper Series, 591, April 2015.

Miscellaneous

Axel Dreher and Andreas Fuchs with Vera Eichenauer obtained a three-year grant for the project 'The Economics of Emerging Donors in Development Cooperation' from the German Research Foundation.

Christina Gathmann was elected Deputy Chairperson of the Academic Advisory Board at the German Ministry of the Economy and Energy (Wissenschaftlicher Beirat des Bundesministeriums für Wirtschaft und Energie).

**Editorial deadline for issue 9/2015 of the newsletter:
Wednesday, May 6, 2015, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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please contact the address above.