



Upcoming Seminars

Monday, 16.12.2024

13.30-14.30

AWI room 00.010

Departmental Seminar

Tomasz Makarewicz, Bielefeld

"Macroeconomic stability of price level targeting in a model of heterogeneous expectations"

(Host: Joep Lustenhouwer)

Wednesday, 18.12.2024

12.15-13.15

AWI room 00.010

Internal Seminar

Nora Heinzelmann

"Moral judgements in social interaction"

(Host: Christiane Schwieren)

Wednesday, 18.12.2024

13.30-14.30

[Via Zoom](#)

Meeting-ID: 636 2711 3853

Kenncode: 620714

Macro & Econometrics Seminar

Manuel Schick

"Multivariate Economic Tail Risk and
Scenario Analysis using the Survey of
Professional Forecasters"

Abstracts

Departmental Seminar

Tomasz Makarewicz, Bielefeld

"Macroeconomic stability of price level targeting in a model of heterogeneous expectations"

This study focuses on the efficacy of Price Level Targeting (PLT) under the Heuristic Switching Model (HSM). PLT has been considered as an alternative to the traditional inflation targeting in the aftermath of the 2008 Great Recession. However, this policy was not thoroughly tested in real life, whereas the experimental evidence remains contradictory. This study contributes to the discussion by extending the HSM by Hommes and Lustenhouwer (2019) with the PLT Taylor rule.

The properties of the PLT rule under the behavioral expectations are mixed. On the one hand, the fundamental steady state becomes the unique fixed point of the system in this setup. However, the stability of this fixed point is highly sensitive to the calibration of the underlying New Keynesian economy, and the exact specification of the HSM. As a result, policy makers can use this policy only if they understand well the way in which the economic agents form their expectations.

Internal Seminar

Nora Heinzelmann

"Moral judgements in social interaction"

Tba

Macro & Econometrics Seminar

Manuel Schick

"Multivariate Economic Tail Risk and Scenario Analysis using the Survey of Professional Forecasters" *

This talk explores forecasting tail risks for key macroeconomic indicators—GDP growth, inflation, and unemployment—using the US Survey of Professional Forecasters (SPF). By incorporating SPF consensus forecasts into the conditional mean of AR-GARCH-type models, the accuracy of univariate and multivariate predictive densities is significantly enhanced. Modeling a constant correlation matrix further captures strong dependencies, particularly between GDP growth and unemployment. By modeling the joint distribution, this framework provides a simple approach for scenario analysis, enabling a transparent assessment of conditional tail risks.

* Joint work with Anne Opschoor.

Talks and Research visits

Axel Dreher has given a keynote: "Wedded to Prosperity? Informal Influence and Regional Favoritism." at *Democracy and Development in the Global South* held at *University of Zurich* December 5-6.

Miscellaneous

The winner of this year's Christmas poker match is Joerg Oechssler. The winning hand may be dethroned in one year.

Thank you to everyone participating at the reanimation of AWIs' Christmas party, buffet and talks. See you at the 2025's edition.



Editorial deadline for the last issue of this years' newsletter 31/2024:
Wednesday, 18th, 2024, 12 p.m.
newsletter@awi.uni-heidelberg.de