Universität Hamburg
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Fachbereich VWL / Department of Economics

EconNewsletter

Editorial Contact: Michael Paetz
tel: +49 40 42838-5561; e-mail: econ.newsletter.Wiso@uni-hamburg.de

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JUNE 19 – JUNE 23, 2023   **NEWSLETTER 2023-15**

SEMINAR CALENDAR

HCHE Research Seminar
Franziska Valder, Center for Economic Behavior and Inequality: Monday June 19
Gender differences in heart disease: the role of individual   16:30-18:00
and provider behavior   Esplanade 36, R. 4011/13

Quantitative Economics
Laura Gati, European Central Bank: Tuesday June 20
Monetary Communication Rules   12:15–13:30
          R. 0079 (VMP 5)

Hamburg Lectures in Law and Economics
Niclas Berggren, University of Economics Prague and IFN Stockholm: Wednesday June 21
Immigrants' Tolerance and Integration   18:15–19:45
          R. 110 (Johnsallee 35)

This seminar is held in a hybrid format. To register for **Online participation** via Zoom please click the following link and fill in the necessary information: https://ile-hamburg.us5.list-manage.com/track/click?u=a3a598540658d2c2aadfae5b6&id=ee0daf9e3c&e=3446e273d6 or send an email to yasmin.seyrafian@ile-hamburg.de. You will then receive an Email with the access link prior to the lecture.

PhD Seminar
Peter Mihaylovski, Hamburg University: Thursday June 22
Recourse versus Non-recourse Mortgage Debt in an Environment   12:15–13:00
with Fixed and Adjustable Rates   R. 0079 (VMP 5)

Microeconomics Seminar
Georg Nöldeke, University of Basel: Thursday June 22
How to study symmetric equilibria in binary action games   17:15–18:45
          R. 0079 (VMP 5)

ABSTRACTS

Quantitative Economics
Laura Gati, European Central Bank
Monetary Communication Rules

Abstract:

Is there a systematic mapping between the Federal Reserve's expectations of macro variables and the words it uses to talk about the economy? We propose a simple framework that allows us to estimate communication rules in the United States based on text analysis with regularized regressions. We find strong evidence for systematic communication rules that vary over time, with changes in the rule often being associated with changes in the economic environment or with the introduction of a new Fed chair. In the case of the fed funds rate, we also estimate the market's perception of the Fed's communication rule and use it to investigate how much of the disagreement between the market and the Fed come from disagreement about the communication rule.

PhD Seminar
Peter Mihaylovski, Hamburg University
Recourse versus Non-recourse Mortgage Debt in an Environment with Fixed and Adjustable Rates

Abstract:

This paper develops a two-agent housing DSGE model with a strategic default and an endogenous LTV ratio in order to compare the effectiveness of both recourse and non-recourse mortgage debt. It assumes the presence of patient and impatient households whereby the latter can borrow at variable and fixed mortgage rates. I find that in the presence of housing demand shocks such as a sudden increase in the riskiness of borrowers' housing stock, with predominantly fixed mortgage rates, recourse on mortgage debt exerts a positive pressure upon LTV ratios and debt especially in the short run. Nonetheless, it fails to stabilise house prices and residential investment and even exacerbates their decline. With predominantly variable lending rates, mortgage recourse raises real house prices and housing investment but its effectiveness in terms of magnitude tends to be somewhat low. Furthermore, the results of the paper indicate that borrowers' default rates are a positive function of LTV ratios. Hence, in a crisis scenario induced by a positive risk shock to impatient households' housing stock, recourse on mortgage debt tends to increase mortgage default rates. The paper also discusses welfare implications for both types of households. When fixed mortgage rates prevail, mortgage recourse is welfare-improving for both patient and impatient households. With variable mortgage rates, it is only savers' welfare that slightly rises upon the introduction of a regime with a recourse on mortgage debt.

Microeconomics Seminar
Georg Nöldeke, University of Basel
How to study symmetric equilibria in binary action games

Abstract:
Symmetric mixed strategy Nash equilibria in symmetric binary action games are either pure or correspond to the roots of a Bernstein polynomial. Bernstein polynomials have many shape-preservation properties. This talk explains how these properties can be used to make inferences about the number and comparative static properties of symmetric equilibria in binary action games. Applications to public good provision and voting games are used to illustrate the approach.

ACTIVITIES OF DEPARTMENT MEMBERS

Miscellaneous

- **Workshop Collective Decision-Making and Democratic Institutions , 7-8 July**
  We are delighted to announce the forthcoming of the Workshop Collective Decision-Making and Democratic Institutions held on 7-8 July 2023 in the Graduate Program "Collective Decision-Making". The workshop brings together junior and senior researchers to discuss their latest theoretical, experimental and empirical research on collective decision-making and democratic institutions. Topics range from decision-making in small groups to fundamental questions regarding social evaluation and electoral systems.

  A limited number of seats is available for guests. If you would like to register for the workshop please send an email to cdm.wiso@uni-hamburg.de.

  For more information https://uhh.de/wiso-cdm-workshop2023

The next EconNewsletter will be published **on Monday, June 26, 2023.**

Editorial deadline: **Friday, June 23, 2023.**

EconNewsletter
Department of Economics
University of Hamburg
Von-Melle-Park 5, 20146 Hamburg

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