American Economic Review Vol. 97, No. 2, May 2007 Editors' Introduction (page viii) Michelle DeBlasi and Ronald L. Oaxaca

Foreword (page ix) Thomas J. Sargent

Articles Richard T. Ely Lecture Beliefs, Doubts and Learning: Valuing Macroeconomic Risk (pp. 1-30) Lars Peter Hansen

The Economics of Human Development The Technology of Skill Formation (pp. 31-47) Flavio Cunha and James Heckman

## Model Validation and Model Comparison

**Ex Ante Policy Evaluation, Structural Estimation and Model Selection** (pp. 48-52) *Kenneth I. Wolpin* 

**Testing the Mechanisms of Structural Models: The Case of the Mickey Mantle Effect** (pp. 53-59) Hanming Fang, Michael Keane, Ahmed Khwaja, Martin Salm and Dan Silverman

Bayesian Model Comparison and Validation (pp. 60-64)

John Geweke

Risk-Sharing and Cooperation in Social Networks Reciprocity in Groups and the Limits to Social Capital (pp. 65-69) Francis Bloch, Garance Genicot and Debraj Ray

Risk Sharing Across Communities (pp. 70-74) Yann Bramoull\_ and Rachel Kranton

**Risk Sharing and Network Formation** (pp. 75-79) Marcel Fafchamps and Flore Gubert

**Community Size and Network Closure** (pp. 80-85) Hunt Allcott, Dean Karlan, Markus M. M\_bius, Tanya S. Rosenblat and Adam Szeidl

# Networked Interactions Communication Networks: Knowledge and Decisions (pp. 86-91) Antoni Calvó-Armengol and Joan de Martí

## Diffusion of Behavior and Equilibrium Properties in Network Games (pp. 92-98)

Matthew O. Jackson and Leeat Yariv

Financial Networks (pp. 99-103) Douglas M. Gale and Shachar Kariv

Social Insurance Programs: Good for Workers? Good for the Labor Market? Evaluating the Worker Profiling and Reemployment Services System Using a Regression Discontinuity Approach (pp. 104-107) Dan A. Black, Jose Galdo and Jeffrey A. Smith

Unemployment Benefits, Unemployment Duration, and Post-Unemployment Jobs: A Regression Discontinuity Approach (pp. 108-112) Rafael Lalive

The Spike at Benefit Exhaustion: Leaving the Unemployment System or Starting a New Job? (pp. 113-118) David Card, Raj Chetty and Andrea Weber

**Distinguishing Income from Substitution Effects in Disability Insurance** (pp. 119-124) David H. Autor and Mark G. Duggan

Developments in Dynamic Mechanism Design An Ascending Auction for Interdependent Values: Uniqueness and Robustness to Strategic Uncertainty (pp. 125-130) Dirk Bergemann and Stephen Morris

**Designing Efficient Mechanisms for Dynamic Bilateral Trading Games** (pp. 131-136) *Susan Athey and Ilya Segal* 

**On Quitting Rights in Mechanism Design** (pp. 137-141) *Olivier Compte and Philippe Jehiel* 

Decision Theory: New Methods, New Insights Neuroeconomic Studies of Impulsivity: Now or Just as Soon as Possible? (pp. 142-147) Paul William Glimcher, Joseph Kable and Kenway Louie

The Neuroeconomic Theory of Learning (pp. 148-152) Andrew Caplin and Mark Dean Revealing Preferences Graphically: An Old Method Gets a New Tool Kit (pp. 153-158)
Syngjoo Choi, Raymond Fisman, Douglas M. Gale and Shachar Kariv
Beliefs in the Utility Function
Optimal Beliefs, Asset Prices, and the Preference for Skewed Returns (pp. 159-165)
Markus K. Brunnermeier, Christian Gollier and Jonathan A. Parker

**Experimental Testing of Intrinsic Preferences for NonInstrumental Information** (pp. 166-169) *Kfir Eliaz and Andrew Schotter* 

Guilt in Games (pp. 170-176) Pierpaolo Battigalli and Martin Dufwenberg

# **Contracts and Fairness**

Adding a Stick to the Carrot? The Interaction of Bonuses and Fines (pp. 177-181) Ernst Fehr and Klaus M. Schmidt

**Incomplete Contracts and Ownership: Some New thoughts** (pp. 182-186) *Oliver Hart and John Moore* 

Can Contract Theory Explain Social Preferences? (pp. 187-192) W. Bentley MacLeod

Search-and-Matching Financial Markets Liquidity and Risk Management (pp. 193-197) Nicolae G\_rleanu and Lasse Heje Pedersen

Search in Asset Markets: Market Structure, Liquidity, and Welfare (pp. 198-202) Ricardo Lagos and Guillaume Rocheteau

Information Percolation in Large Markets (pp. 203-209) Darrell Duffie and Gustavo Manso

Capital Market Frictions Market Maker Inventories and Stock Prices (pp. 210-214) Terrence Hendershott and Mark S. Seasholes

Slow Moving Capital (pp. 215-220) Mark Mitchell, Lasse Heje Pedersen and Todd Pulvino

Systemic Illiquidity in the Federal Funds Market (pp. 221-225) Adam B. Ashcraft and Darrell Duffie Habit Persistence and the Macroeconomy Increasing Income Inequality, External Habits, and Self-Reported Happiness (pp. 226-231) Karen E. Dynan and Enrichetta Ravina

Pricing to Habits and the Law of One Price (pp. 232-238) Morten O. Ravn, Stephanie Schmitt-Groh\_ and Mart\_n Uribe

**Explaining Asset Prices with External Habits and Wage Rigidities in a DSGE Model** (pp. 239-243) *Harald Uhlig* 

Inaction and Adjustment: Consequences for Households and Firms Optimal Inattention to the Stock Market (pp. 244-249) Andrew B. Abel, Janice C. Eberly and Stavros Panageas

Uncertainty and the Dynamics of R&D (pp. 250-255) Nick Bloom

**Investment under Uncertainty with Strategic Debt Service** (pp. 256-261) Suresh Sundaresan and Neng Wang

Monetary Systems: Transitions and Experiments The Bank of Amsterdam and the Leap to Central Bank Money (pp. 262-265) Stephen Quinn and William Roberds

Backing, the Quantity Theory, and the Transition to the US Dollar, 1723\_1850 (pp. 266-270) *Peter L. Rousseau* 

**The Political Economy of the US Monetary Union: The Civil War Era as a Watershed** (pp. 271-275) David F. Weiman and John A. James

John Law's System (pp. 276-279) Fran\_ois R. Velde

Wars, Finance, and War Finance The Net Worth of the US Federal Government, 1784\_1802 (pp. 280-284) Farley Grubb

The Great Financial Crisis of 1914: What Can We Learn from Aldrich\_Vreeland Emergency Currency? (pp. 285-289) William L. Silber

The McKenna Rule and UK World War I Finance (pp. 290-294) James M. Nason and Shaun P. Vahey

# How Occupied France Financed Its Own Exploitation in World War II (pp. 295-299) Filippo Occhino, Kim Oosterlinck and Eugene N. White

The Transparency of Political Institutions The Perils of Transparency in Bureaucracies (pp. 300-305) Alessandro Gavazza and Alessandro Lizzeri

**Decision\_Making Procedures for Committees of Careerist Experts** (pp. 306-310) *Gilat Levy* 

The Transparency of Politics and the Quality of Politicians (pp. 311-315) Andrea Mattozzi and Antonio Merlo Is Foreign Aid Helping? Aid Effectiveness \_ Opening the Black Box (pp. 316-321) Fran\_ois Bourguignon and Mark Sundberg

**Does Aid Affect Governance?** (pp. 322-327) *Raghuram Rajan and Arvind Subramanian* 

Was Development Assistance a Mistake? (pp. 328-332) William Easterly

Exchange Rate Puzzles The Returns to Currency Speculation in Emerging Markets (pp. 333-338) Craig Burnside, Martin Eichenbaum and Sergio Rebelo

If Exchange Rates are Random Walks, Then Almost Everything We Say About Monetary Policy is Wrong (pp. 339-345) Fernando Alvarez, Andrew Atkeson and Patrick J. Kehoe

Link to Additional Materials Random Walk Expectations and the Forward Discount Puzzle (pp. 346-350) Philippe Bacchetta and Eric van Wincoop

New Approaches to International Trade Unbalanced Trade (pp. 351-355) Robert Dekle, Jonathan Eaton and Samuel Kortum

Trade Flow Dynamics with Heterogeneous Firms (pp. 356-361)

Fabio Ghironi and Marc J. Melitz

## Pricing-to-Market in a Ricardian Model of International Trade (pp. 362-367)

Andrew Atkeson and Ariel Burstein

# **Globalization and Economic Outcomes for Minority**

#### Groups

The Effect of Globalization on the Performance of Small- and Medium-Sized Enterprises in the United States: Does Owners' Race/Ethnicity Matter? (pp. 368-372) Elizabeth Asiedu and James A. Freeman

**The Effects of Recent Immigration on Racial/Ethnic Labor Market Differentials** (pp. 373-377) Deborah Reed and Sheldon Danziger

Inward Foreign Direct Investment and Racial Employment Patterns in US Manufacturing (pp. 378-382)

Abera Gelan, Kaye Husbands Fealing and James Peoples

Differential Impacts of Immigrants on Native Black and White Workers (pp. 383-387)

Paul Ong and Don Mar

Growth, Education, and Investment in Children Nonlinearities and Robustness in Growth Regressions (pp. 388-392) Jenny Minier

Public Education Expenditures, Taxation, and Growth: Linking Data to Theory (pp. 393-397) William F. Blankenau, Nicole B. Simpson and Marc Tomljanovich

Why Do Poor Children Lose Health Insurance in the SCHIP Era? The Role of Family Health (pp. 398-401) Anne Carroll, Hope Corman, Kelly Noonan and Nancy E. Reichman

The Effect of Child Gender on Parents' Labor Supply: An Examination of Natives, Immigrants, and their Children (pp. 402-406) Sabrina Wulff Pabilonia and Jennifer Ward-Batts

### **Gender and Labor Market Outcomes**

**Reaching Equilibrium in the Market for Obstetricians and Gynecologists** (pp. 407-411) Jessica Wolpaw Reyes

Gender Differences in the Labor Market: Impact of IRCA (pp. 412-416) Catalina Amuedo-Dorantes, Cynthia Bansak and Steven Raphael

# The Role of Labor Market Intermittency in Explaining Gender Wage Differentials (pp. 417-421)

Julie L. Hotchkiss and M. Melinda Pitts

Women Helping Women, Men Helping Women? Same-Gender Mentoring, Initial Job Placements, and Early Career Publishing Success for Economics PhDs (pp. 422-426) Christiana Hilmer and Michael Hilmer

Medical Innovation and the Social Value of Health Progress Integrated Insurance Design in the Presence of Multiple Medical Technologies (pp. 427-432) Dana Goldman and Tomas J. Philipson

Social Value and the Speed of Innovation (pp. 433-437) Kevin M. Murphy and Robert H. Topel

The Impact of New Drugs on US Longevity and Medical Expenditure, 1990\_2003: Evidence from Longitudinal, Disease-Level Data (pp. 438-443) Frank R. Lichtenberg

Empirical Industrial Organization Identification and Estimation of Bidders' Risk Aversion in First-Price Auctions (pp. 444-448) Isabelle Perrigne and Quang Vuong

An Estimate Dynamic Model of Entry, Exit, and Growth in Oligopoly Retail Markets (pp. 449-454) Victor Aguirregabiria, Pedro Mira and Hernan Roman

**Bounding Revenue Comparisons across Multi-Unit Auction Formats under** -Best Response (pp. 455-458) James T. E. Chapman, David McAdams and Harry J. Paarsch

Linear Regression Estimation of Discrete Choice Models with Nonparametric Distributions of Random Coefficients (pp. 459-463) Patrick Bajari, Jeremy T. Fox and Stephen P. Ryan

Behavioral Welfare Economics Toward Choice-Theoretic Foundations for Behavioral Welfare Economics (pp. 464-470) B. Douglas Bernheim and Antonio Rangel

Welfare without Happiness (pp. 471-476) Faruk Gul and Wolfgang Pesendorfer

**Mistakes in Choice-Based Welfare Analysis** (pp. 477-481) Botond K szegi and Matthew Rabin

#### **Biological Evolution and Economics**

Some Evolutionary Economics of Family Partnerships (pp. 482-486) Theodore C. Bergstrom

Habits, Peers, and Happiness: An Evolutionary Perspective (pp. 487-491) Luis Rayo and Gary S. Becker

Why do We Die? Economics, Biology and Aging (pp. 492-495) Arthur J. Robson and Hillard S. Kaplan

**The Evolution of Intertemporal Preferences** (pp. 496-500) *Arthur J. Robson and Larry Samuelson* 

The Market and Pre-Market for Graduate Students in Economics Is There An Insider Advantage in Getting Tenure? (pp. 501-505) Paul Over

**The Search for Economics Talent: Doctoral Completion and Research Productivity** (pp. 506-511) *Wayne A. Grove and Stephen Wu* 

What Does Performance in Graduate School Predict? Graduate Economics Education and Student Outcomes (pp. 512-520) Susan Athey, Lawrence F. Katz, Alan B. Krueger, Steven Levitt and James Poterba

# Awards

John Bates Clark Award (pp. 521-522)

# Reports

Minutes of the Annual Meeting (pp. 523-524)

Minutes of the Executive Committee Meetings (pp. 525-533)

Secretary (pp. 534-537)

**Treasurer** (pp. 538-541)

Editor, American Economic Review (pp. 542-554)

Editor, Journal of Economic Literature (pp. 555-557)

Editor, Journal of Economic Perspectives (pp. 558-559)

Director, Job Openings for Economists (pp. 560-562)

Committee on the Status of Women in the Economics Profession (pp. 566-572) Committee on the Status of Minority Groups in the Economics Profession (pp. 573-580) Committee on Economic Statistics (pp. 581-582) Representative to the International Economic Association (page 583) Search Committee for the Editor, *American Economic Journal: Macroeconomics* (page 584) Search Committee for the Editor, *American Economic Journal: Microeconomics* (page 585) Search Committee for the Editor, *American Economic Journal: Microeconomics* (page 585) Search Committee for the Editor, *American Economic Journal: Applied Economics* (page 586) Search Committee for the Editor, *American Economic Journal: Applied Economics* (page 586) Search Committee for the Editor, *American Economic Journal: Economic Policy* (page 587) Universal Academic Questionnaire Summary Statistics (page 588)