Statement of Interest in Attending the CRIW Session at the NBER Summer Institute 2016

The Conference for Research in Income and Wealth (CRIW) includes topics at the core of my research interest. Over the past year I have been working on research project on entrepreneurship that tries to understand the importance of the observed decline in the creation of new firms for the macro economy. In "Firm Entry and Macroeconomic Dynamics: A State-level Analysis" (with Francois Gourio and Todd Messer, forthcoming *American Economic Review P&P*) we study the effect of a change in entry on macro quantities and find that a decline in entry leads to a persistent decline in GDP and TFP. In "Firm Entry and Employment Dynamics in the Great Recession" I examine the importance of financial constraints for young and small firms during the 2007-2009 financial crisis. At the core of these paper lies the question if selection into entrepreneurship is a selection by wealth or by productivity? This is one of the questions I attempt to address in an ongoing research project entitled "Linkages Among Employment, Firm Dynamics, and Financial Conditions" (with Simon Gilchrist and Egon Zakrajsek). From the view of a policy maker selection by wealth would be of large concern.

While my ongoing research projects may, at a first glance, be at the periphery of the topics generally represented at the Conference for Research on Income and Wealth, my current and future research projects are in fact at its center. The research projects take a step by step approach in understanding important aspects of entrepreneurship and thus have been documenting important phenomena such as the decline in new business formation during the financial crisis. The phenomena are in the end driven by decisions of households to engage (or not) in entrepreneurial activity and may in important ways be influenced by income and wealth. Suppose business ideas are uniformly distributed across wealth quantiles, then changes in the financial conditions/environment may have profound effects on entrepreneurship and ultimately have significant impact on aggregate outcomes such as GDP, innovation, and productivity. In general, as long as (the number and quality of) business ideas are not perfectly correlated with wealth, then wealth inequality may have negative effects on aggregate outcomes.

Many factors that are currently perceived to be driving income and wealth such as globalization, labor polarization, or Chinas entry to the WTO in the early 2000s are likely also important factors for entrepreneurship. For my research agenda it is therefore important to gain a better understanding of factors driving income and wealth and attending the CRIW would provide an excellent opportunity to gain a better knowledge of the field as well as have fruitful interactions with the top researchers in the field. I expect to gain new insights into a variety of important considerations for income and wealth that will likely be useful for my research on entrepreneurship and firm dynamics.

Michael Siemer

CONTACT INFORMATION

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CITIZENSHIP/ VISA

Germany/H-1B

WORK EXPERIENCE

Federal Reserve Board of Governors, Washington DC, USA
Economist in the Macroeconomic and Quantitative Studies section 9/2013 - present

EDUCATION

Boston University, Boston, USA
Ph.D., Economics, 2013

Simon Fraser University, Vancouver, Canada
M.A., Economics, August, 2007

University of Regensburg, Regensburg, Germany
Diplom with Honors, Volkswirtschaftslehre, March, 2006

RESEARCH INTERESTS

Macroeconomics, International Economics, Asset Pricing

PUBLICATIONS

Firm Entry and Macroeconomic Dynamics: A State-level Analysis,
with Francois Gourio and Todd Messer, **American Economic Review Papers & Proceedings**, forthcoming.

What is the economic impact of the slowdown in new business formation?,
with Francois Gourio and Todd Messer, **Chicago Fed Letter**, No. 326, September 2014.

International Risk Cycles, with Francois Gourio and Adrien Verdelhan,
Journal of International Economics, 89 (2), pp. 471-484, March 2013.

WORKING PAPERS

Uncertainty and International Capital Flows (with Francois Gourio and Adrien Verdelhan), April 2016

Firm Entry and Employment Dynamics in the Great Recession, February 2016

Learning, Rare Disasters, and Asset Prices (with Yang K. Lu), January 2016

A Missing Generation of Firms? Aggregate Effects of the Decline in New Business Formation (with Francois Gourio and Todd Messer), October 2015

WORK IN PROGRESS

Bank Balance Sheets and Small Firm Employment (with Simon Gilchrist and Egon Zakrajsek)

Honors and Awards

IED Research Grant for *Firm Entry and Employment Dynamics in the Great Recession*, Boston University, Spring 2012/13

Research Fellowship, Boston University, Fall 2011

General Research Fund #643811 for *Asset Pricing with Learning about Disaster Risk*, Research Grants Council of Hong Kong, 2011-2013, Co-Investigator

Summer Research Grant, Boston University, 2011

Travel Grant for AFA Meeting Denver, American Finance Association, 2011

IED Travel Grant, Boston University, 4/2009, 9/2010 & 6/2011 & 9/2011 & 6/2012

Distinction in Macroeconomics Qualifying Exam, Boston University, June 2008

Fellow of the Dean of Arts and Sciences, Boston University, 2007-present

Graduate Fellowship, Simon Fraser University, 2006

Award for the best Diplom in Volkswirtschaftslehre, University of Regensburg, 2006

German National Academic Foundation (Studienstiftung des dt. Volkes), 2004-2006

Presentations

2016: American Economic Association Annual Conference, American Finance Association Annual Conference, College of William and Mary, 8th Annual Volatility Conference at NYU Stern (scheduled), SED Toulouse (scheduled), IMF (scheduled), North American Annual Summer Meeting of the Econometric Society (scheduled)

2015: Econometric Society North American Winter Meeting, American Economic Association Conference, Census Bureau Center for Economic Studies, Midwest Macro Meeting St Louis, Georgetown Center for Economic Research Conference, Barcelona GSE Summer Forum (MIFLH & ICF), Society for Economic Dynamics Conference, NBER SI IFM, Econometric Society World Congress, European Economic Association Annual Meeting, American University, Vienna Macroeconomics Workshop, Philadelphia Fed, Southern Economic Association Annual Conference

2014: NBER Summer Institute – Capital Markets and the Economy, Econometric Society European Summer Meeting, Chicago Fed*, NBER Universities Research Conference, Federal Reserve Board, Federal Reserve System Macro Conference (Discussant), 2014 Pacific Basin Research Conference San Francisco, 5th Ifo Conference on Macroeconomics and Survey Data*, Second Chicago Booth International Macro Finance Conference*

2013: Federal Reserve Bank of Kansas City, University of Ottawa, ECB, CREi-Pompeu Fabra, Simon Fraser University, Johns Hopkins University, UNC Kenan-Flagler, Federal Reserve Board of Governors, Federal Reserve Bank of Richmond, University of Mannheim, University of Cambridge, University of Bonn, Society for Computational Economics 19th Int. Conference, Workshop on Macroeconomics, Financial Frictions and Asset Prices in Pavia/Italy, Midwest Macro Meeting, 4th Ifo Conference on Macroeconomics and Survey Data, 10th Christmas Meeting of German Economists Abroad

2012: Boston University, Federal Reserve Bank of Boston, Federal Reserve Bank of Chicago, Econometric Society North American Summer Meeting Evanston/IL, BU-BC

Green Line Macro Meeting

2011: CDMA Conference St. Andrews, Western Finance Association (WFA) Annual Meeting Santa Fe, BU-BC Green Line Macro Meeting

2010: ECB-JIE Conference, BU-BC Green Line Macro Meeting

*presented by co-author

Referee Service

Journal of Monetary Economics, *Journal of Economic Dynamics and Control*, *Economics Letters*

Teaching Experience

Study Center Gerzensee **2010-2013**

Teaching Assistant

- Macroeconomics Week 1 (Week 3) by Robert G. King, *Swiss Program for Beginning Doctoral Students in Economics*, February 2010-13 (October 2011/12)

Boston University **2008-2009, 2012**

Teaching Fellow

- Advanced Macroeconomics (PhD level), Macroeconomics (PhD level), Introductory Macroeconomics (Undergraduate)

Simon Fraser University **2007, 2009**

Instructor

- International Finance (Undergraduate), Summer 2009.

Teaching Assistant

- Introductory Macroeconomics (Undergraduate), Labor Economics (Undergraduate), Intermediate Macroeconomics (Undergraduate).

University of Regensburg **2004-2006**

Teaching Assistant

- Introductory Macroeconomics (Undergraduate), Introductory Microeconomics (Undergraduate).

Languages

German - native, English - excellent, French - beginner, Spanish - beginner

Computer Skills

Matlab/mex, Fortran, OpenMP, Dynare, SAS, Stata, SQL, Mathematica, LaTeX, EViews, common spreadsheet and presentation software

References

available upon request

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

DIVISION OF
RESEARCH AND STATISTICS

April 2016

Letter of Support for Michael Siemer's Application for a CRIW fellowship

It is a great pleasure to write in strong support of Michael Siemer's application for a CRIW fellowship. I have known Michael as an economist in the Macroeconomic and Quantitative Studies section of the Federal Reserve Board for roughly three years and I have been his section chief for a little less than 2 years.

Michael is a prolific young researcher with a highly productive network of co-authors in academia, but also amongst economists at Reserve Banks. One leg of his research agenda focuses on determinants of firm entry and their macroeconomic consequences. While the decline in new business formation during the financial crisis is well documented, less is known about the causes the contraction and their independent influence an aggregate activity. Michael's promising research therefore appears well placed to fill an important void in the literature. Importantly from a policy perspective, Michael aims to identify the role of financial constraints for firm entry.

It is without a doubt that Michael's research would benefit substantially from attending the CRIW summer institute. Michael takes a careful look at the available micro-data evidence when setting up and calibrating his models. He has also demonstrated an impressive command of the literature in his field and I would expect him to integrate insights from the numerous presentations and discussions at the CRIW summer institute into his research in much the same way. Last, but not least, Michael has also demonstrated a keen interest in integrating insights from his research into the policy process and discussion. I strongly support his application and I hope that you will give consider his application carefully.

Sincerely,

Matthias Paustian

Chief, Macroeconomic and Quantitative Studies Section