

CBA Sabbatical Leave Application
Title Page

Date: October 7, 2015

Name: James Murray

Rank: Associate Professor

Department: Economics

Title of Project: Proposal to Advance Curriculum and Scholarship in Applied Macroeconometrics

Requesting: One-semester Sabbatical for Spring 2017

Faculty member's signature:



Date:

10/7/15

Chair's signature:

Date:

Abstract of Project:

The purpose of this project is to develop a new course in applied macroeconometrics and further my scholarship in this same field in a manner that can be integrated into the course and also result in submissions of two academic manuscripts to peer-reviewed journals in my discipline.

The economics department currently offers an undergraduate course in econometrics that is largely focused on applications in *microeconomics*. I will develop a new course in econometric methods appropriate for applications in *macroeconomics and finance* that could serve as a substitute or a complement to the existing econometrics course. At the same time, I will continue a research agenda that applies some of the macroeconomic methods from the class. I propose to write two new papers that measure the magnitude of uncertainty that market participants have regarding the conduct of government policy and the evolution of macroeconomic variables that affect the decisions and livelihood of market participants. In particular, the papers will investigate the possibility of structural changes in government policy and macroeconomic activity. Structural change not only presents challenges to econometric estimation, but also creates a new dimension of uncertainty that can contribute to swings macroeconomic activity which cause sudden economic downturns.

My objective is to incorporate the methods used in the research to the new macroeconometrics class. These statistical methods are typically only taught at the advanced graduate level, but they can be presented and applied in a way that is appropriate and accessible to our undergraduate students. Part of my new course development will include a course module on methods for estimating structural changes in time series that will fit near the end of the course's curriculum. Students in the class will be able to use these methods to inform economic issues that do arise in our undergraduate macroeconomics courses.