



OXFORD JOURNALS
OXFORD UNIVERSITY PRESS

Front Matter

Source: *The Quarterly Journal of Economics*, Feb., 2005, Vol. 120, No. 1 (Feb., 2005)

Published by: Oxford University Press

Stable URL: <https://www.jstor.org/stable/25098729>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



JSTOR

Oxford University Press is collaborating with JSTOR to digitize, preserve and extend access to *The Quarterly Journal of Economics*

THE QUARTERLY JOURNAL OF ECONOMICS

FOUNDED 1886

Volume CXX

February 2005

Issue 1

ARTICLES

- JEAN IMBS, HAROON MUMTAZ, MORTEN O. RAVN, AND HÉLÈNE REY**
PPP Strikes Back: Aggregation and the Real Exchange Rate 1
- EDWARD L. GLAESER**
The Political Economy of Hatred 45
- JEFFREY R. KLING, JENS LUDWIG, AND LAWRENCE F. KATZ**
Neighborhood Effects on Crime for Female and Male Youth:
Evidence from a Randomized Housing Voucher Experiment 87
- JONATHAN LEVIN AND STEVEN TADELIS**
Profit Sharing and the Role of Professional Partnerships 131
- PHILIPPE AGHION, PETER HOWITT, AND DAVID MAYER-FOULKES**
The Effect of Financial Development on Convergence: Theory
and Evidence 173
- JOSH LERNER AND ANTOINETTE SCHOAR**
Does Legal Enforcement Affect Financial Transactions?
The Contractual Channel in Private Equity 223
- JEREMY C. STEIN**
Why Are Most Funds Open-End? Competition and the Limits
of Arbitrage 247
- RAQUEL FERNÁNDEZ, NEZIH GUNER, AND JOHN KNOWLES**
Love and Money: A Theoretical and Empirical Analysis of Household
Sorting and Inequality 273
- KATHERINE BAICKER AND DOUGLAS STAIGER**
Fiscal Shenanigans, Targeted Federal Health Care Funds,
and Patient Mortality 345
- BEN S. BERNANKE, JEAN BOIVIN, AND PIOTR ELIASZ**
Measuring the Effects of Monetary Policy: A Factor-Augmented
Vector Autoregressive (FAVAR) Approach 387

PUBLISHED FOR HARVARD UNIVERSITY
BY THE MIT PRESS, CAMBRIDGE, MASSACHUSETTS

QJE 120(1) 1-422 (2005)
ISSN 0033-5533

No. 480

This content downloaded from
91.230.41.206 on Thu, 16 Feb 2023 06:21:07 UTC
All use subject to <https://about.jstor.org/terms>

The Quarterly Journal of Economics

Board of Editors

Robert J. Barro

Edward L. Glaeser

Lawrence F. Katz

Associate Editors

George Akerlof

William Easterly

Eliana La Ferrara

Susan C. Athey

Glenn Ellison

Robert Margo

David Baron

Dennis Epple

Bruce Sacerdote

Marianne Bertrand

Ernst Fehr

Jeremy Stein

John Bound

Claudia Goldin

Richard Thaler

Andrew Caplin

Charles Jones

Michael Waldman

Janet Currie

Michael Kremer

Alwyn Young

In association with the Harvard Department of Economics and Invited Readers.

Assistant Editor

Harriet E. Hoffman

Volume 120, Number 1 (February 2005)

The Quarterly Journal of Economics (ISSN 0033-5533 E-ISSN 1531-4650) is published four times per year (February, May, August, November) by The MIT Press, Five Cambridge Center, Cambridge, Massachusetts 02142-1407. Copyright 2005 by the President and Fellows of Harvard College and the Massachusetts Institute of Technology. All rights reserved. Reproduction or translation of any part of the work beyond that permitted by Sections 107 or 108 of the United States Copyright Law without the permission of the copyright owner is unlawful.

Permission to photocopy articles for internal or personal use or the internal or personal use of specific clients is granted by the copyright owner for libraries and other users registered with the Copyright Clearance Center (CCC), provided that the per-copy fee of \$10.00 is paid directly to CCC, 222 Rosewood Drive, Danvers, MA 01923. The fee code for users of the CCC's Transactional Reporting Service is 0033-5533/05 \$10.00. For those organizations that have been granted a photocopy license with CCC, a separate system of payment has been arranged. Address all other inquiries to Subsidiary Rights Manager, MIT Press Journals, Five Cambridge Center, Cambridge, MA 02142. Fax: (617) 258-5028; e-mail: journals-rights@mit.edu.

The contents of this Journal are included by the following:

ABI/Inform, Business Periodicals Index, Current Contents/Social and Behavioral Sciences, Economic Literature Index, Index of Economic Articles in Journals and Collected Volumes, Journal of Economic Literature, LexisNexis, Social Sciences Citation Index/Social SciSearch, Social Sciences Index, and Wilson Business Abstracts. For a complete list of Abstracting/Indexing information, please go to the journal's homepage <http://mitpress.mit.edu/qje>

An electronic, full-text version of *Quarterly Journal of Economics* is available from the MIT Press.

Subscription rates: **Electronic only**—Individuals \$42.00, Students/retired \$25.00, Institutions \$238.00. Canadians add 7% GST. **Print and Electronic**—Individuals \$47.00, Students/retired \$28.00, Institutions \$265.00. Outside the U.S. and Canada add \$24.00 for postage and handling. Canadians add 7% GST. Current issues are \$68.00. Back issue rates: Individuals \$34.00, Institutions \$68.00. Outside the U.S. and Canada add \$5.00 per issue for postage and handling. Canadians add 7% GST. Mail subscription and address changes to MIT Press Journals, Five Cambridge Center, Cambridge, MA 02142-1407; (617) 253-2889; fax: (617) 577-1545; e-mail: journals-orders@mit.edu. Claims for missing issues will be honored free of charge if made within three months after the publication date of the issue. Claims may be emailed to journals-claims@mit.edu. Prices subject to change without notice.

Postmaster: Send address changes to *The Quarterly Journal of Economics*, MIT Press Journals, Five Cambridge Center, Cambridge, MA 02142-1407. Periodicals Postage paid at Boston, MA, and at additional postal offices.

Advertising and mailing list inquiries may be addressed to: Marketing Dept., MIT Press Journals, Five Cambridge Center, Cambridge, MA 02142-1407; (617) 253-2866; fax (617) 258-5028; e-mail: journals-info@mit.edu.

Books, periodicals, and manuscripts should be addressed to THE QUARTERLY JOURNAL OF ECONOMICS, Littauer Center, Harvard University, Cambridge, Massachusetts 02138. Three copies of manuscripts should be submitted in clear double-spaced typewritten copy. The use of recycled paper is encouraged. Manuscripts of more than forty-five double-spaced typed pages in length are not ordinarily considered for publication. Copies of manuscripts that have not been accepted for publication are not ordinarily returned to the author. Offprints may be ordered by authors prior to publication, prepaid.

Business Correspondence should be addressed to The MIT Press Journals, Five Cambridge Center, Cambridge, MA 02142. <http://mitpress.mit.edu/qje>

© 2005 BY THE PRESIDENT AND FELLOWS OF HARVARD COLLEGE AND
THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY

PRINTED IN UNITED STATES OF AMERICA

⊗ This publication is printed on acid-free paper.

THE QUARTERLY JOURNAL OF ECONOMICS

ARTICLES

- JEAN IMBS, HAROON MUMTAZ, MORTEN O. RAVN, AND HÉLÈNE REY**
PPP Strikes Back: Aggregation and the Real Exchange Rate 1
- EDWARD L. GLAESER**
The Political Economy of Hatred 45
- JEFFREY R. KLING, JENS LUDWIG, AND LAWRENCE F. KATZ**
Neighborhood Effects on Crime for Female and Male Youth:
Evidence from a Randomized Housing Voucher Experiment 87
- JONATHAN LEVIN AND STEVEN TADELIS**
Profit Sharing and the Role of Professional Partnerships 131
- PHILIPPE AGHION, PETER HOWITT, AND DAVID MAYER-FOULKES**
The Effect of Financial Development on Convergence:
Theory and Evidence 173
- JOSH LERNER AND ANTOINETTE SCHOAR**
Does Legal Enforcement Affect Financial Transactions?
The Contractual Channel in Private Equity 223
- JEREMY C. STEIN**
Why Are Most Funds Open-End? Competition and the Limits
of Arbitrage 247
- RAQUEL FERNÁNDEZ, NEZIH GUNER, AND JOHN KNOWLES**
Love and Money: A Theoretical and Empirical Analysis of Household
Sorting and Inequality 273
- KATHERINE BAICKER AND DOUGLAS STAIGER**
Fiscal Shenanigans, Targeted Federal Health Care Funds,
and Patient Mortality 345
- BEN S. BERNANKE, JEAN BOIVIN, AND PIOTR ELIASZ**
Measuring the Effects of Monetary Policy: A Factor-Augmented
Vector Autoregressive (FAVAR) Approach 387