

University of Minnesota - Twin Cities

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Curriculum Vitae Fall 2007

ROOZBEH HOSSEINI

Personal Data

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Major Fields of Concentration

Macroeconomics, Public Economics, Contract Theory

Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
Ph.D.	Economics	University of Minnesota (expected)	2008
M.S.	Economics	University of Illinois at Urbana-Champaign	2003
M.A.	Socio-Economic Systems Engineering	Institute for Research in Planning and Development	2000
B.Sc.	Electrical Engineering	Sharif University of Technology	1997

Dissertation

Title: "Essays on Insurance Markets and the Role for Government"
Dissertation Advisor: Professor Larry E. Jones
Expected Completion: Summer 2008

References

Professor Larry E. Jones	(612) 624-4553 (612) 204-5519 lej@econ.umn.edu	Department of Economics University of Minnesota 1035 Heller Hall 271 - 19 th Avenue South Minneapolis, MN 55455
Professor V. V. Chari	(612) 626-7151 (612) 204-5518 chari@res.mpls.frb.fed.us	
Professor Christopher Phelan	(612) 626-2533 (612) 204-5615 cjp@res.mpls.frb.fed.us	
Dr. Ellen McGrattan	(612) 204-5523 erm@ellen.mpls.frb.fed.us	Research Department Federal Reserve Bank of Minneapolis 90 Hennepin Avenue Minneapolis, MN 55480

Honors and Awards

- 2007-2008 Heller Dissertation Fellowship, Department of Economics, University of Minnesota, Minneapolis, Minnesota.
- Fall 2006 First Prize - Hardy Third Year Paper Competition, for “A Competitive Model of Annuity Market with Nonexclusive Contracts”, University of Minnesota, Minneapolis, Minnesota.
- Fall 2006 Third Prize - Hardy Third Year Paper Competition, for “Efficient Allocation with Limited Commitment”, Joint with Pricila Maziero, University of Minnesota, Minneapolis, Minnesota.
- 2001-2002 Cleo Fitzsimmons Award, for excellent performance in economics PhD program core sequence, University of Illinois, Urbana, Illinois

Teaching Experience

- 2004-2005 *Teaching Associate*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for graduate level course sequence in *Microeconomic Theory*.
- 2003-2004 *Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for large lecture *Principles of Microeconomics*.
- Spring 2003 *Head Teaching Assistant*, Department of Economics, University of Illinois, Urbana, Illinois. Led recitation sections for large lecture *Principles of Microeconomics*. Administered and supervised the online web board discussions, coordinated other Teaching Assistants.
- Fall 2002 *Teaching Assistant*, Department of Economics, University of Illinois, Urbana, Illinois. Led recitation sections for graduate level *Macroeconomic Theory II*.
- Spring 2002 *Head Teaching Assistant*, Department of Economics, University of Illinois, Urbana, Illinois. Led recitation sections for large lecture *Principles of Microeconomics*. Administered and supervised the online web board discussions, coordinated other Teaching Assistants.
- Fall 2001 *Teaching Assistant*, Department of Economics, University of Illinois, Urbana, Illinois. Led recitation sections for graduate level *General Economic Theory*.
- Spring 2001 *Head Teaching Assistant*, Department of Economics, University of Illinois, Urbana, Illinois. Led recitation sections for large lecture *Principles of Microeconomics*. Administered and supervised the online web board discussions, coordinated other Teaching Assistants.
- Fall 2000 *Teaching Assistant*, Department of Economics, University of Illinois, Urbana, Illinois. Led recitation sections for large lecture *Principles of Microeconomics*.

Research Experience

- June 2005- August 2007 *Research Analyst*, Research Department, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota. Research assistant for Dr. Christopher Phelan.
- Summer 2002 *Research Assistant*, Department of Economics, University of Illinois, Urbana, Illinois. Research assistant for Dr. Rui Zhao

Papers

- “On the Welfare Cost of Adverse Selection in the Annuity Market” (Job Market Paper)
“A Competitive Model of Annuity Market with Non-Exclusive Contracts”

Work in Progress

- “Efficient Allocations with Limited Commitment” (joint with Pricila Maziero)
“Markov Perfect Equilibrium in an Old Age Security Model of Fertility Choice” (joint with Larry Jones)

Presentations

“A Competitive Model of Annuity Market with Non-Exclusive Contracts,” presented at 71th Annual Meeting of Midwest Economic Association, Minneapolis, Minnesota, March 23-25 2007

“Adverse Selection, Annuity Markets and Welfare Gain from Social Security,” presented at Midwest Theory and Trade Meetings Spring 2007, University of Minnesota, Minneapolis, Minnesota, April 20-22 2007; Midwest Macro Meetings 2007, Federal Reserve Bank of Cleveland, Cleveland, Ohio, April 27-29 2007; Bag Lunch Seminar, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota, June 13 2007.

Professional Activities

Referee for *Econometrica*, *Economic Theory*, *Review of Economic Dynamics*.

Professional Affiliations

Member, Econometric Society

Dissertation Abstract

First Essay: On the Welfare Cost of Adverse Selection in the Annuity Market (Job Market Paper)

Recent policy debates on Social Security privatization have raised concerns over potential inefficiencies in annuity markets due to adverse selection. In this paper I calculate the welfare loss in the annuity market using a life cycle model in which individuals have private information about their mortality. I find this loss to be less than 0.2 percent of consumption relative to ex ante efficient allocations. Efficiency is achieved by perfectly insuring everyone against longevity risk and by transferring lifetime resources from high mortality to low mortality types. In the market, high mortality types choose to limit their participation and thereby generate welfare loss through two channels. First, they remain underinsured and expose themselves to longevity risk. However, since they die at faster rate, their welfare is heavily discounted and this inefficiency is not large. Second, low participation by these types means less transfer from them to low mortality types. For the calibrated distribution of mortality this effect is small as well. Calculations are robust to increase in the variance of mortality heterogeneity as well as changes in the degree of risk aversion.

Second Essay: A Competitive Model of Annuity and Life Insurance with Non-Exclusive Contracts

I study a two period economy where altruistic consumers have uncertain lifetime and are privately informed about their survival probabilities. There are firms who sell linear non-exclusive Life insurance and annuity contracts. In this environment competitive equilibrium with life and annuity insurance exists despite the presence of adverse selection. This environment has three key features: 1) In any equilibrium there is at most one insurance market where trade occurs. 2) Increase in social security tax and benefits leads to increase in price of annuity and crowds out trade activities in annuity market (and a symmetric opposite effect in Life insurance market) . 3) In this environment ex-ante efficient allocations are independent of heterogeneous survival types and can be optimally implemented using simple tax-transfer instruments. Under optimal policy both annuity and life insurance markets are endogenously closed.