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ERRATUM

In the May issue of *International Economic Review* (IERE), DOI: 10.1111/iere.2015.56.issue-2, the Introduction article was inadvertently not published in the issue. It should have been included as the first article of the issue.

Here is the actual Introduction article.

ESTIMATION OF DYNAMIC STOCHASTIC MODELS IN EMPIRICAL MICROECONOMICS: IN HONOR OF KENNETH I. WOLPIN

BY HOLGER SIEG

In 1984, Ken Wolpin published a paper in the *Journal of Political Economy* titled "An Estimable Dynamic Stochastic Model of Child Fertility and Mortality." The abstract states "the paper develops a finite-horizon dynamic stochastic model of discrete choice with respect to life-cycle fertility within an environment where infant survival is uncertain. The model yields implications for the number, timing, and spacing of children. A tractable estimation method is developed for the linear constraint-quadratic utility case that is intimately tied to the dynamic optimization problem, and the method is applied to Malaysian household data. Estimation is based on integrating the numerical solution of the dynamic programming model of behavior with a maximum likelihood procedure."

The simple idea that economic modeling, estimation, and empirical analysis should be internally consistent was not widely accepted in the 1980s. Earlier research, by Daniel McFadden, James Heckman and others, had demonstrated the power of estimating behavioral models. However, few researchers thought that it was feasible to estimate complicated dynamic stochastic models. Even fewer researchers believed that these types of models would be rich enough to avoid rejection by conventional specification tests. Almost no one expected that these models could be used to answer real-world policy questions. One of Ken's greatest research accomplishments was proving all of the skeptics wrong.

Since the publication of that paper, much has changed in economics. What was once considered to be the domain of a few mavericks has become the most compelling methodological approach in empirical microeconomics. This special edition in honor of Ken Wolpin focuses on recent advances in structural estimation of behavioral models in microeconomics. Some of the articles in this volume are revised versions of papers presented at a conference that was organized by Petra Todd and Christopher Ferrall, held at the University of Pennsylvania, on September 21–22, 2012. Other articles were submitted by Ken's former and current colleagues, coauthors, and students.

There are 12 papers included in this special volume of the *International Economic Review*. We ranked the papers by the length of time Ken has known the authors. The papers reflect the broad impact that Ken had on empirical microeconomics and econometrics. Some papers focus on methodological issues in the estimation of dynamic models. Others explore new models or new computational algorithms for existing models. Most importantly, most papers included in this special edition focus on serious empirical applications and study important policy issues covering a diverse set of topics such as the design of social security systems, the impact of

permanent and transitory tax changes on labor supply, the impact of divorce on the cognitive achievement of children, and the effects of vocational training on the cognitively impaired.

Those of us whose research has been significantly shaped by Ken's own research agree that the best way to honor Ken is continue on his path and try to meet the high standards of research that he sets for himself. The purpose of this volume is to report some progress along the way.

We apologize for this error.