



October 30th 2007

**Letter of Recommendation for
Melanie Lührmann**

Melanie Lührmann is Post-Doctoral Research Fellow in the European Union Research and Training Network (RTN) "Microdata Methods and Practice". I direct this RTN on behalf of The Centre for Microdata Methods and Practice (Cemmap) which is the lead organisation in the network. I have known Melanie since she took up her Fellowship in January 2006. I have been formally in charge of directing her work, although she in practice works very well quite independently, but it is appropriate that I start by briefly outlining her work in the RTN.

Melanie Lührmann came to us with excellent references and also with strong recommendations from those who worked with her during her short visit to IFS in 2003. These, together with impressions I had gained from hearing her present her work, made me very keen to appoint her to this position in the face of strong competition. I am very glad she accepted our offer and came to work with us.

Very soon after she arrived Melanie Lührmann became a key member of the RTN group and a valued member of Cemmap. She has been a really excellent colleague during the last two years, quick to offer help in organising the many events that the RTN and Cemmap stage. She has played an essential role in the RTN network, which includes CEMFI in Madrid, CNRS in Paris, CAM in Copenhagen, the Tinbergen Institute in Amsterdam, and IFAU in Uppsala.

Melanie has presented papers at all of the RTN's biannual conferences, helped organise meetings and made a great contribution to the network by making visits to various nodes of the network and interacting with network visitors to Cemmap's offices in London. Melanie has developed a very wide knowledge of applied economics and econometrics by attending the Masterclasses organised by Cemmap and the RTN including classes given by Tony Lancaster (Bayesian econometrics), Ariel Pakes (empirical IO), Oliver Linton (semiparametric methods), Richard Blundell (economics of demand), Yoram Weiss (economics of the family), Pedro Lima (dynamic discrete choice) and Manuel Arellano (panel data methods). As you can see her interests range widely and this is evident

on a day-to-day basis in the way she interacts with colleagues in discussions about research. Melanie Lührmann has a warm personality and an engaging manner and does work very well with students and with junior and senior colleagues. She presents clearly and motivates her work well. She will make a good and conscientious teacher.

I will now turn to consider Melanie's research which currently lies mainly in the areas of family and household economics and the economics of consumer demand. She has particular interest in the impact of ageing on individual and household behaviour and the impacts of ageing on the economy.

In her job market paper she takes up this particular theme and estimates a Quadratic Almost Ideal Demand System incorporating flexible age effects. She studies the implied consequences for aggregate demand of a variety of different aging scenarios accompanied by various progressions for, e.g. employment and income. She pays careful attention to the aggregation process and she draws interesting and policy-relevant conclusions about the impact of ageing on demand. The paper is a nice piece of applied econometric work, drawing on economic theory to the extent that that can be done, with careful attention to the nature of the data available on the one hand and the interesting policy parameters on the other. She demonstrates her excellent knowledge of microeconomic methods and her mature understanding of the ways in which the results they produce can be interpreted.

Melanie has a number of other excellent papers. Her Cemmap working paper 25/07 studies unusual data giving household partners' views on the decision making process within households. The goal of the paper is to understand how characteristics of household members and households affect the distribution of decision making power in households. The econometric methods used in this work are quite novel and not often seen employed in practice involving estimation of a semiparametrically specified double index model, an index being associated with each of the two partners. This is interesting work and a prelude to further work in which the impact of the distribution of power on household demand outcomes can be studied.

Melanie Lührmann is an innovative, experienced and well-skilled applied microeconomist with a good portfolio of completed research and plenty of ideas for future research. She is well organised and works efficiently and she is a great colleague. I recommend her to you.

A handwritten signature in black ink, appearing to read 'Andrew Chesher', with a stylized, flowing script.

Andrew Chesher
Director, The Centre for Microdata Methods and Practice
Institute for Fiscal Studies and University College London