

"Simulation and Estimation of Hedonic Equilibrium Models"

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Making use of restrictions imposed by equilibrium, theoretical progress has been made on the non-parametric estimation and identification of scalar separable hedonic models (Ekeland, Heckman, and Nesheim (2001)). However, little is known about the practical aspects of estimating such models or of the characteristics of equilibrium in more general hedonic models. This paper presents computational and analytical results that fill these gaps. We simulate and estimate examples of equilibrium in the more narrow class of hedonic models. Our results provide evidence on the performance of the techniques suggested by Ekeland, Heckman, and Nesheim (2001). These results illustrate how analysis of equilibrium in the hedonic model provides identification. This paper also simulates examples of equilibrium in more general hedonic models. The results of these simulations provide evidence on the behavior of equilibrium in more general hedonic models.