

# BONN ECON NEWS

**December 4–8, 2023**

## Overview

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### Workshops and seminars

Tuesday, December 5, 2023

- BGSE/briq Applied Microeconomics Workshop (CRC TR 224 Seminar)  
Christian Zimpelmann (IZA Bonn)  
“How Gender Role Attitudes Shape Maternal Labor Supply”

Wednesday, December 6, 2023

- BGSE Micro Workshop  
Günnur Ege Bilgin (BGSE)  
“Decentralized Many-to-One Matching with Random Search”
- Micro Theory Seminar  
Piero Gottardi (University of Essex)  
“Time Trumps Quantity in the Market for Lemons”

Friday, December 8, 2023

- BGSE Brown Bag Seminar in Applied Microeconomics  
Daniele Mauriello (University of Bonn)  
“(In-)Conveniently (Un-)Biased: Exploring the Interplay between Motivated Reasoning and Bounded Rationality”
- BGSE Brown Bag Seminar in Applied Microeconomics  
Georg Schneider (University of Bonn)  
“Financial Labor Market Dynamics and Credit Origination”
- BGSE Brown Bag Seminar in Applied Microeconomics  
Antonia Entorf (University of Bonn)  
“Does education contribute to the development of non-cognitive skills that foster labor market success? Evidence from compulsory schooling reforms in low- and middle-income countries”
- BGSE Brown Bag Seminar in Applied Microeconomics  
Chen Lin (University of Bonn)  
“Public Transportation and Occupational Mobility: Evidence from Early 20th-Century Manhattan”
- BGSE Brown Bag Seminar in Applied Microeconomics  
Alina Sowa (University of Bonn)  
“The effects of matrilineal extended family norms on gender differences in schooling and child labor: Evidence from an inheritance reform in Ghana”
- BGSE Brown Bag Seminar in Applied Microeconomics  
Daniel Nogues Kollert (University of Bonn)  
“Comparing different measures to fight climate change in a commons-based economy”
- Bonn Macro Internal Seminar  
Fabio Stohler (University of Bonn)  
“Asset pricing with heterogeneous agents”

## Workshops and seminars

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**Tuesday, December 5, 2023**

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### BGSE/briq Applied Microeconomics Workshop (CRC TR 224 Seminar)

Christian Zimpelmann  
(IZA Bonn)

"How Gender Role Attitudes Shape Maternal Labor Supply"

**Coauthor**

Tim Mensinger

**Time**

14:15–15:30 CET

**Location**

ECONtribute, Niebuhrstraße 5, seminar room

**(different from usual location)**

**Abstract**

We examine the influence of gender role attitudes, specifically views about the appropriate role of mothers, on post-childbirth employment decisions. German panel data reveals that mothers with traditional attitudes are 15% less likely to work during early motherhood than their egalitarian counterparts. Among working mothers, those with traditional attitudes work four hours less per week, and these differences persist for at least seven years. Fathers' attitudes also predict maternal labor supply, highlighting joint decision-making within couples. Examining the interaction of attitudes with changes in economic incentives, we find that the introduction of a cash-for-care payment for parents who abstain from using public childcare substantially reduced the labor supply of traditional mothers, whereas egalitarian mothers' labor supply remained unaffected. Moreover, a structural life-cycle model of female labor supply demonstrates that labor supply elasticities are substantially larger for traditional mothers, while a counterfactual policy facilitating full-time childcare access has a more pronounced effect on egalitarian mothers. Our findings stress that gender role attitudes mediate the effects of policies, which implies that measured average policy effects cannot easily be transferred to other contexts, e.g., over time or to other countries, without accounting for differences in attitudes.

## Wednesday, December 6, 2023

### BGSE Micro Workshop

Günnur Ege Bilgin  
(BGSE)

"Decentralized Many-to-One Matching with Random Search"

Time  
12:00–13:00 CET

Location  
Juridicum, Reinhard Selten Room (0.017)

#### Abstract

I analyze a canonical many-to-one matching market within a decentralized search model with frictions, where a finite number of firms and workers meet randomly until the market clears. I compare the stable matchings of the underlying market and equilibrium outcomes when time is nearly costless. In contrast to the case where each firm has just a single vacancy, I show that stable matchings are not obtained as easily. In particular, there may be no Markovian equilibrium that uniformly implements either the worker- or the firm-optimal stable matching in every subgame. The challenge results from the firms' ability to withhold capacity strategically. Yet, this is not the case for markets with vertical preferences on one side, and I construct the equilibrium strategy profile that leads to the unique stable matching almost surely. Moreover, multiple vacancies enable firms to implicitly collude and achieve unstable but firm-preferred matchings, even under Markovian equilibria. Finally, I identify one sufficient condition on preferences to rule out such opportunities.

### Micro Theory Seminar

Piero Gottardi  
(University of Essex)

"Time Trumps Quantity in the Market for Lemons"

Coauthors  
Willie Fuchs, Humberto Moreira

Time  
16:30–17:45 CET

Location  
Juridicum, Faculty Meeting Room (U1.040)

#### Abstract

We consider a dynamic adverse selection model where privately informed sellers of divisible assets can choose how much of their asset to sell at each point in time to competitive buyers. With commitment, delay and lower quantities are equivalent ways to signal higher quality. Only the discounted quantity traded is pinned down in equilibrium. With spot contracts and observable past trades, there is a unique and fully separating path of trades in equilibrium. Irrespective of the horizon and the frequency of trades, the same welfare is attained by each seller type as in the commitment case. When trades can take place continuously over time, each type trades all of its assets at a unique point in time. Thus, only delay is used to signal higher quality. When past trades are not observable, the equilibrium only coincides with the one with public histories when trading can take place continuously over time.

## Friday, December 8, 2023

### BGSE Brown Bag Seminar in Applied Microeconomics

Daniele Mauriello  
(University of Bonn)

"(In-)Conveniently (Un-)Biased: Exploring the Interplay between Motivated Reasoning and Bounded Rationality"

Time  
09:30–10:15 CET

Location  
ECONtribute, Niebuhrstraße 5, seminar room

#### Abstract

In our daily lives, we are subject to several widely recognized biases deriving from our bounded rationality and motivated reasoning. While these biases have been extensively studied individually, the extent to which they interact with each other remains unclear (Exley and Kessler, 2023). In this project, I study the interaction between motivated reasoning and bounded rationality, focusing on the case of wishful thinking and the gambler's fallacy. Specifically, I study whether, in a setting where the gambler's fallacy could arise, reliance on this heuristic provides individuals with a reasonable justification for reaching the desired conclusions. Similarly, I also study whether, in situations where the gambler's fallacy heuristic does not yield the desired conclusions, motives might help to debias individuals. I would investigate the aforementioned relationship with an experiment featuring a 2x2 factorial design. Subjects would face a simple estimation task, and I would manipulate the presence of a motive to wish for certain answers, as well as the possibility for the gambler's fallacy to occur. The experiment has the potential to document the interaction between the different types of biases by comparing the distortion generated by the joint occurrence of the biases with the sum of the distortions generated by the individual occurrences of the biases.

## BGSE Brown Bag Seminar in Applied Microeconomics

Georg Schneider (University of Bonn)	"Financial Labor Market Dynamics and Credit Origination"
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**Time**

10:30–11:15 CET

**Location**

ECONtribute, Niebuhrstraße 5, seminar room

**Abstract**

When workers make risky decisions on behalf of their firm, the effectiveness of disciplining incentive structures depends crucially on outside options faced by workers. These outside options, in turn, depend on prevailing labor market conditions. This study delves into such labor market dynamics in the context of the financial sector, focusing on competition for banking talent and its impact on lending decisions. Using employer-employee-loan matched data on syndicated loans spanning 25 years, we track the movement of bankers between lenders, and construct a measure of outside options based on recently realized intra-sectoral transitions. At the aggregate level, we find cyclical fluctuations in banker transitions, that are strongly and inversely related to low interest rates. At granular levels, the study uncovers a link between bankers' outside opportunities and the origination of more numerous, more conservative and cheaper loans. One interpretation of these findings is that bankers are lowering loan prices and raising lending standards to improve their outside prospects while shifting risk towards their employer. Using shocks to non-compete agreement enforceability as an instrument for outside options, preliminary results suggest that our estimates may merit causal interpretation. We propose methodological improvements and additional data collection to corroborate our findings.

## BGSE Brown Bag Seminar in Applied Microeconomics

Antonia Entorf  
(University of Bonn)

"Does education contribute to the development of non-cognitive skills that foster labor market success? Evidence from compulsory schooling reforms in low- and middle-income countries"

Coauthor  
Thomas Dohmen

Time  
11:30–12:15 CET

Location  
ECONtribute, Niebuhrstraße 5, seminar room

### Abstract

Non-cognitive skills such as personality traits have been shown to matter for labor market outcomes. Moreover, there is evidence that non-cognitive skills are malleable and that the formation of non-cognitive skills depends on the social environment. While it is known that specific curriculum interventions can affect economic preferences and personality traits, it remains unclear whether education per se affects non-cognitive skills. Therefore, we exploit five educational reforms which increased mandatory years of schooling in four low- and middle-income countries to study their effect on non-cognitive skills. We use cross-sectional data collected by the World Bank in 2012/2013 as the first-ever initiative to measure skills in low- and middle-income countries. Using within-country variation in mandatory years of schooling, we find that raising mandatory years of schooling decreased individuals' emotional stability, grit, hostile attribution bias, and patience. A reduced hostile attribution bias seems to be rewarded in the labor market through higher wages. Our results suggest that the reforms, on average, increased individuals' wages by 10%.

## BGSE Brown Bag Seminar in Applied Microeconomics

Chen Lin  
(University of Bonn)

"Public Transportation and Occupational Mobility: Evidence from Early 20th-Century Manhattan"

Time  
13:30–14:15 CET

Location  
ECONtribute, Niebuhrstraße 5, seminar room

### Abstract

Urban areas are experiencing a significant increase in public transportation development. However, while there exists an extensive literature on the impacts of transport infrastructure on aggregate outcomes, its effects on individual labor market outcomes remain less well understood. This study explores whether access to intracity transportation infrastructure affects individuals' occupational mobility by exploiting the opening of Manhattan's first subway line in 1904. Historical records suggest that public authorities aimed to connect the southernmost and northernmost points of Manhattan. Thus, I use the shortest-distance straight line as an instrumental variable to address the subway placement endogeneity. Using linked decennial census records from 1900 to 1910, I find that proximity to subway stations has small positive effects on occupational changes and upgrading. I further document heterogeneity with respect to occupational groups and the residential concentration of these groups.

## BGSE Brown Bag Seminar in Applied Microeconomics

Alina Sowa  
(University of Bonn)

"The effects of matrilineal extended family norms on gender differences in schooling and child labor: Evidence from an inheritance reform in Ghana"

### Coauthors

Arndt Reichert, Anne Simon, Christoph Strupat

### Time

14:30–15:15 CET

### Location

ECONtribute, Niebuhrstraße 5, seminar room

### Abstract

Empirical evidence on matrilineal ethnic groups shows that the extended family plays an essential role for many of their household decisions. The importance of the extended family is reinforced by the customary inheritance system which requires that a man does not bequest his property to his children but to his nephews. To analyze the effects of such matrilineal extended family norms on households' schooling and child labor decisions, we exploit a Ghanaian inheritance reform which largely changed the inheritance system of matrilineal ethnic groups in favor of the nuclear family at the cost of the extended family. Using cross-sectional survey data in a difference-in-differences framework, we find that the inheritance reform is associated with a decrease in school attendance that is substantially larger for boys (13.1 percentage points) than for girls (7.4 percentage points). Furthermore, girls' weekly hours worked decrease by 2.3 hours while those of teenage boys increase by 3 hours. This implies that matrilineal extended family norms induce parents to advance the schooling of their children, especially their sons, while shielding their sons from child labor tasks at the expense of their daughters.

## BGSE Brown Bag Seminar in Applied Microeconomics

Daniel Nogues Kollert  
(University of Bonn)

"Comparing different measures to fight climate change in a commons-based economy"

### Time

15:30–16:15 CET

### Location

ECONtribute, Niebuhrstraße 5, seminar room

### Abstract

In this presentation, we will examine an application of agent-based modeling in economics. First, we introduce the underlying model and discuss why agent-based modeling is suitable for studying this economy. Then, we delve into an experiment where we investigate the conditions under which the simulated economy is sustainable. Finally, we discuss the simulation results and provide an outlook on further research.

## Bonn Macro Internal Seminar

Fabio Stohler  
(University of Bonn)

"Asset pricing with heterogeneous agents"

### Time

16:30–17:30 CET

### Abstract

TBA

### Location

Kaiserplatz 7–9, Room 4.006