

# BONN ECON NEWS

May 6–10, 2024

## Overview

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### Workshops and seminars

Tuesday, May 7, 2024

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Nicola Gennaioli (Bocconi University)

“How People Use Statistics”

Wednesday, May 8, 2024

BGSE Micro Workshop

Andrew Bongjune Choi (Bocconi University)

“I’ll Tell You Tomorrow: Committing to Future Commitments”

MEF/ECONtribute Seminar (Macro/Econometrics/Finance)

Sergio de Ferra (University of Oxford)

“Avoiding Sovereign Default Contagion”

Finance/CRC Seminar

Bo Bian (UBC Sauder School of Business)

“Financing the Global Shift to Electric Mobility”

Micro Theory Seminar

Kevin He (University of Pennsylvania)

“Learning from Viral Content”

Friday, May 10, 2024

Applied Micro Coffee

Anna Schulze Tilling (University of Bonn)

“Tastes better than expected: Post-intervention effects of a vegetarian month in the student canteen”

## Workshops and seminars

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Tuesday, May 7, 2024

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### Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Nicola Gennaioli  
(Bocconi University)

"How People Use Statistics"

**Coauthors**

Pedro Bordalo, John Conlon, Spencer Kwon, Andrei Shleifer

**Time**

14:15–15:30 CET

**Location**

IZA, Conference Room, Schaumburg-Lippe-Straße 9

**Abstract**

We document two new facts about the distributions of answers in famous statistical problems: they are (i) multi-modal and (ii) unstable with respect to irrelevant changes in the problem. We offer a model in which, when solving a problem, people represent each hypothesis by attending "bottom up" to its salient features while neglecting other, potentially more relevant, ones. Only the statistics associated with salient features are used, others are neglected. The model unifies biases in judgments about i.i.d. draws, such as the Gambler's Fallacy and insensitivity to sample size, with biases in inference such as under- and overreaction and insensitivity to the weight of evidence. The model makes predictions about how changes in the salience of specific features should jointly shape the prevalence of these biases and measured attention to features, but also create entirely new biases. We test and confirm these predictions experimentally. Bottom-up attention to features emerges as a unifying framework for biases conventionally explained using a variety of stable heuristics or distortions of the Bayes rule.

**BGSE Micro Workshop**

Andrew Bongjune Choi (Bocconi University)	"I'll Tell You Tomorrow: Committing to Future Commitments"
Time 12:00–13:00 CET	Abstract
Location Juridicum, Reinhard Selten Room (0.017)	A principal wishes to promote the agent only if the state is good, and gradually receives private information about the state. The agent wants promotion, but would rather leave than stay and fail promotion. The principal optimally induces the agent to stay by committing to commit, that is, by committing today to tell the agent tomorrow about his chances of promotion the day after. The principal may promote the agent with some probability regardless of her information. Our results apply to worker retention, relationship-specific investment, and forward guidance.

**MEF/ECONtribute Seminar (Macro/Econometrics/Finance)**

Sergio de Ferra (University of Oxford)	"Avoiding Sovereign Default Contagion"
Coauthor Enrico Mallucci	Abstract TBA
Time 12:15–13:30 CET	
Location Juridicum, Faculty Meeting Room (U1.040)	

## Finance/CRC Seminar

Bo Bian  
(UBC Sauder School of Business)

"Financing the Global Shift to Electric Mobility"

### Coauthors

Jan Bena, Huan Tang

### Time

14:45–16:00 CET

### Location

Juridicum, Faculty Lounge (0.036)

### Abstract

Using comprehensive auto loan data, we identify a gap in financing terms between Electric Vehicles (EVs) and non-EVs. EVs, compared to their non-electric counterparts in the same make-model or make-model-power category, are financed with higher interest rates, lower loan-to-value ratios, and shorter loan durations. The primary driver of this financing gap is the risk associated with EVs. The rapid and uncertain progress in EV-specific technologies accelerates obsolescence, reducing EVs' resale value and thus increasing the cost associated with loans for these vehicles. Factors such as car buyers' willingness to pay, socioeconomic characteristics, government incentives for EVs, lenders' market power, and macroeconomic conditions play minimal roles in explaining the higher cost of EV loans. Our findings highlight that technological carbon-transition risk is priced in financing terms of green durable assets consumption.

## Micro Theory Seminar

Kevin He  
(University of Pennsylvania)

"Learning from Viral Content"

### Coauthor

Krishna Dasaratha

### Time

16:30–17:45 CET

### Location

Juridicum, Faculty Meeting Room (U1.040)

### Abstract

We study learning on social media with an equilibrium model of users interacting with shared news stories. Rational users arrive sequentially, observe an original story (i.e., a private signal) and a sample of predecessors' stories in a news feed, and then decide which stories to share. The observed sample of stories depends on what predecessors share as well as the sampling algorithm generating news feeds. We focus on how often this algorithm selects more viral (i.e., widely shared) stories. Showing users viral stories can increase information aggregation, but it can also generate steady states where most shared stories are wrong. These misleading steady states self-perpetuate, as users who observe wrong stories develop wrong beliefs, and thus rationally continue to share them. Finally, we describe several consequences for platform design and robustness.

## Applied Micro Coffee

Anna Schulze Tilling  
(University of Bonn)

"Tastes better than expected: Post-intervention effects of a vegetarian month in the student canteen"

Coauthor

Charlotte Klatt

Time

11:30-12:15 CET

Location

brq, Schaumburg-Lippe-Straße 9

Hybrid

<https://uni-bonn.zoom-x.de/j/64524248902>

(password via the Applied Micro mailing list)

Abstract

Interventions to decrease meat consumption are often only implemented for short periods of time, and it is unclear how they might have lasting effects. We combine student canteen consumption (over 270,000 purchases made by over 4,500 guests) and survey data ( $N > 800$ ) to study how a one-month intervention to decrease meat consumption affects consumer behavior post-intervention. During the intervention period, meat meals were eliminated from the menu of the treatment canteen, while the two control canteens were unaffected. Using a difference-in-difference approach, we estimate that the intervention did not decrease student canteen purchases. Further, guests usually frequenting the treatment canteen reduced their lunchtime canteen meat consumption by 4% post-intervention. A large part of this effect seems explicable with guests learning about the quality of the canteen's vegetarian meals. We find little to no evidence of the intervention changing perceived social norms.