

BONN ECON NEWS

January 15–19, 2024

Overview

Workshops and seminars

Monday, January 15, 2024

Job Talk W1 Professorship Econometrics

Xinyue Bei (Duke University)

“Inference on Union Bounds with Applications to DiD, RDD, Bunching, and Structural Counterfactuals”

Tuesday, January 16, 2024

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Uta Bolt (University of Bristol)

“Gender Attitudes and Lifetime Outcomes”

ECONtribute LawEcon Workshop

Li Chen (University of Gothenburg)

“Strategic Responses to Personalized Pricing and Demand for Privacy: An Experiment”

Wednesday, January 17, 2024

BGSE Micro Workshop

Rastislav Rehák (MPI, University of Cologne)

“A Model of Decision Confidence Formation”

Finance Brownbag Seminar

Marcel Brambeer (University of Bonn)

“Investors’ demand for corporate bonds in response to monetary policy: Spillovers to the loan market”

Finance Brownbag Seminar

Alexandros Gilch (University of Bonn)

“TBA”

Micro Theory Seminar

Nicolas Vieille (HEC Paris)

“Stationary social learning in a changing environment”

Thursday, January 18, 2024

Job Talk W1 Professorship Applied Microeconomics

Aapo Stenhammar (Aalto University)

“Tensions of Structural Change: Evidence from Finland’s Field Reservation Policy”

Friday, January 19, 2024

BGSE Applied Microeconomics Workshop

Tim Mensinger (University of Bonn)

“Tranquilo: An Optimizer for the Method of Simulated Moments”

BGSE Applied Microeconomics Workshop

Oleksii Hamaniuk (University of Bonn)

“Ostrom against heating costs: Empirical evidence from managing buildings in Ukraine”

BGSE Applied Microeconomics Workshop

Marvin Immesberger (University of Bonn)
“A Model of Retirement Behaviour”
Job Talk W2 Professorship Macroeconomics
Brigitte Hochmuth (University of Bonn)
“Financial Constraints, Firm Age, and the Labor Market”
Job Talk W1 Professorship Econometrics
Joël Terschuur (Universidad Carlos III de Madrid)
“Locally Robust Policy Learning: Inequality, Inequality of Opportunity and Intergenerational
Mobility”
BGSE Applied Microeconomics Workshop
Paul Behler (University of Bonn)
“Understanding Cultural Heterogeneity”

Workshops and seminars

Monday, January 15, 2024

Job Talk W1 Professorship Econometrics

Xinyue Bei
(Duke University)

"Inference on Union Bounds with Applications to DiD, RDD, Bunching, and Structural Counterfactuals"

Time

10:00 CET

Location

Juridicum, Faculty Lounge (0.036)

Tuesday, January 16, 2024

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Uta Bolt
(University of Bristol)

"Gender Attitudes and Lifetime Outcomes"

Coauthors

Sreevidya Ayyar, Eric French, Cormac O'Dea

Time

14:15–15:30 CET

Location

IZA, Schaumburg-Lippe-Straße 9

Abstract

Using novel text data, essays written at the age of 11, we construct an index of traditional gender attitudes for a representative sample of girls born in Britain in 1958. We link this index to outcomes over the life cycle. Conditional on a large set of covariates including cognitive and non-cognitive skills, we find that traditional gender attitudes at an early age reduce lifetime earnings by 2.6%. The effect is primarily driven by reduced educational attainment, selection into low-paid occupations, as well as earlier family formation. We find that girls' traditional gender attitudes depend on the region they live in, as well as parental education and the gender of the siblings they grow up with.

ECONtribute LawEcon Workshop

Li Chen
(University of Gothenburg)

"Strategic Responses to Personalized Pricing and Demand for Privacy: An Experiment"

Coauthors

Inácio Bó, Rustamdjan Hakimov

Time

18:00–19:15 CET

Location

Juridicum, Reinhard Selten Room (0.017)

Abstract

We consider situations where consumers are aware that a statistical model determines the price of a product based on their observed behavior. Using a novel experiment varying the context similarity between participant data and a product, we find that participants manipulate their responses to a survey about personal characteristics, and manipulation is more successful when the contexts are similar. Moreover, participants demand less privacy, and make less optimal privacy choices when the contexts are less similar. Our findings highlight the importance of data privacy policies in the age of big data, where behavior in seemingly unrelated contexts might affect prices.

Wednesday, January 17, 2024

BGSE Micro Workshop

Rastislav Reháč
(MPI, University of Cologne)

"A Model of Decision Confidence Formation"

Time

12:00–13:00 CET

Location

Juridicum, Reinhard Selten Room (0.017)

Abstract

We study informational dissociations between decisions and decision confidence. We explore the consequences of a dual-system model: the decision system and confidence system have distinct goals, but share access to a source of noisy and costly information about a decision-relevant variable. The decision system aims to maximize utility while the confidence system monitors the decision system and aims to provide good feedback about the correctness of the decision. In line with existing experimental evidence showing the importance of post-decisional information in confidence formation, we allow the confidence system to accumulate information after the decision. We aim to provide a statistical foundation for the post-decisional stage (used in descriptive models of confidence). However, we find that it is not always optimal to engage in the second stage, even for a given individual in a given decision environment. In particular, there is scope for post-decisional information acquisition only for relatively fast decisions. Hence, a strict distinction between one-stage and two-stage theories of decision confidence may be misleading because both may manifest themselves under one underlying mechanism in a non-trivial manner.

Finance Brownbag Seminar

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| Marcel Brambeer (University of Bonn) | "Investors' demand for corporate bonds in response to monetary policy: Spillovers to the loan market" |
| Coauthor Dominik Damast | Abstract We study how monetary policy affects investment decisions of institutional investors in the US corporate bond market. Here, we show that the composition of the investor base for non-financial firms matters for the effects of monetary policy on corporate financing. For example, firms with a higher fraction of insurers compared to mutual funds in their investor base experience relatively higher demand for their bonds after a contractionary monetary shock. Moreover, conditional on interest rate changes, firms which experience higher demand for their bonds adjust their liabilities by taking out relatively more loans. This has important implications for the transmission of monetary policy to the loan market: Bond investors indirectly affect lending outcomes due to corporate decisions to incur debt via bonds and loans. |
| Time 14:45–16:00 CET | |
| Location Juridicum, Faculty Lounge (0.036) | |

Finance Brownbag Seminar

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| Alexandros Gilch (University of Bonn) | "TBA" |
| Time 14:45–16:00 CET | |
| Location Juridicum, Faculty Lounge (0.036) | |

Micro Theory Seminar

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| Nicolas Vieille (HEC Paris) | "Stationary social learning in a changing environment" |
| Coauthors Raphaël Levy, Marcin Peski | Abstract We consider social learning in a changing world. With changing states, societies can be responsive only if agents regularly act upon fresh information, which significantly limits the value of observational learning. When the state is close to persistent, a consensus whereby most agents choose the same action typically emerges. However, the consensus action is not perfectly correlated with the state, because societies exhibit inertia following state changes. Phases of inertia may be longer when signals are more precise, even if agents drawn large samples of past actions, as actions then become too correlated within samples, thereby reducing informativeness and welfare. |
| Time 16:30–17:45 CET | |
| Location Juridicum, Faculty Meeting Room (U1.040) | |

Thursday, January 18, 2024

Job Talk W1 Professorship Applied Microeconomics

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| Aapo Stenhammar (Aalto University) | "Tensions of Structural Change: Evidence from Finland's Field Reservation Policy" |
| <p>Time 09:30–11:00 CET</p> <p>Location ECONtribute, Niebuhrstraße 5, conference room</p> <p>Hybrid https://uni-bonn.zoom-x.de/j/66162285483 Password TBA via Applied Micro mailing list</p> | <p>Abstract While structural transformation is vital for economic development, it often counters resistance. To shed light on the tension between the political and economic effects of structural change, I study the field reservation policy that paid farmers to not farm in 1970s Finland. Using over 290,000 newly digitized Agricultural Census forms linked to rich register data, I find that the policy led to farm closures but did not affect farmers' income or geographical mobility. However, it had an important intergenerational effect. Children of the most affected farmers had 2.7% higher earnings and were more likely to work in office and managerial positions. Surprisingly, the positive effects on income are predominantly driven by children with lower cognitive skills. Despite the economic benefits, the policy faced a political backlash contributing to the rise of a populist rural party. I provide evidence for two separate explanations for this political reaction: identity-based backlash by offended farmers and negative externalities arising from field reservation.</p> |

Friday, January 19, 2024

BGSE Applied Microeconomics Workshop

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| Tim Mensinger (University of Bonn) | "Tranquilo: An Optimizer for the Method of Simulated Moments" |
| <p>Coauthors Janoš Gabler, Sebastian Gsell, Mariam Petrosyan</p> <p>Time 9:00–10:15 CET</p> <p>Location IZA, Schaumburg-Lippe-Straße 9</p> | <p>Abstract In this paper, we propose the tranquilo algorithm, a trust-region optimizer that aims to facilitate optimization problems that arise during the method of simulated moments (MSM) estimation. We restrict our attention to economic problems, allowing us to make the critical assumption that most of the computational costs are due to the objective function. The algorithm is particularly suited for this type of problem as it (1) can utilize the least-squares structure of the MSM problem, (2) can be parallelized on the level of the algorithm, and (3) can adaptively deal with noise in the objective function. By comparing benchmark results, we show that tranquilo can compete with state-of-the-art algorithms and even outperform them in specific scenarios.</p> |

BGSE Applied Microeconomics Workshop

Oleksii Hamaniuk
(University of Bonn)

"Ostrom against heating costs: Empirical evidence from managing buildings in Ukraine"

Time

10:30–11:45 CET

Location

IZA, Schaumburg-Lippe-Straße 9

Abstract

I empirically investigate whether local institutions are more efficient at governing the commons than centralized systems, using a database of heating consumption from 8,839 multi-apartment buildings in Kyiv. Additionally, 12 interviews were conducted with representatives from home-ownership associations to provide a better interpretation of the results and understanding of the channels. The empirical analysis reveals that buildings with home-ownership associations reduce their heating consumption compared to those externally governed by municipal or private companies. The first channel for this reduction is the elimination of the principal-agent problem, allowing for more flexible heating regulation by home-ownership associations during warmer months. The second channel involves investments made through co-finance programs in which home-ownership associations participate. Such investments significantly affect heating consumption reduction, unlike unconditional investments from the city budget. The inefficiency of the latter type of investments can be attributed to both principal-agent and free-riding problems. The estimation results are consistent with Elinor Ostrom's governing the commons theory. The reasons why only 18% of buildings switched to a local institution despite higher efficiency are also explored.

BGSE Applied Microeconomics Workshop

Marvin Immesberger
(University of Bonn)

"A Model of Retirement Behaviour"

Coauthors

Teresa Backhaus, Hans-Martin von Gaudecker

Time

13:00–14:15 CET

Location

IZA, Schaumburg-Lippe-Straße 9

Abstract

A large number of people start to claim their retirement benefits at the statutory retirement ages, even though the pension system itself gives limited incentives to do so. Taking the German public pension system as an example, this project aims to assess the degree to which neoclassical models can explain observed retirement behaviour. Taking a comprehensive view of the incentives and restrictions created by the German retirement system, we build a life-cycle model that distinguishes retirement from benefit claiming and incorporates (changes of) the taxes and transfers system, as well as restrictions on labor market participation created by the institutional environment. Additionally, we explore cognitive uncertainty as a behavioural determinant of the retirement decision that may reconcile existing evidence on reference dependence with standard economic models.

Job Talk W2 Professorship Macroeconomics

Brigitte Hochmuth
(University of Bonn)

"Financial Constraints, Firm Age, and the Labor Market"

Time

12:15 CET

Location

Juridicum, Room (0.042)

Hybrid

[https://uni-bonn.zoom-x.de/j/](https://uni-bonn.zoom-x.de/j/62374147597?pwd=NHFCQlpxVmVpWWJFbXBMdW9uS2xPUT09)

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Job Talk W1 Professorship Econometrics

Joël Terschuur
(Universidad Carlos III de Madrid)

"Locally Robust Policy Learning: Inequality, Inequality of Opportunity and Intergenerational Mobility"

Time

14:00 CET

Location

Juridicum, Faculty Lounge (0.036)

Paul Behler
(University of Bonn)

"Understanding Cultural Heterogeneity"

Coauthors

Thomas Dohmen, Uwe Sunde

Time

14:30–15:45 CET

Location

IZA, Schaumburg-Lippe-Straße 9

Hybrid

Zoom URL TBA via Applied Micro mailing list

Abstract

This project studies cultural heterogeneity defined as the degree of disagreement in cultural values among individuals within a society. While previous research has investigated the economic consequences of heterogeneity, little is known about its determinants. Using survey responses on 74 cultural questions from nearly 500,000 individuals in 118 countries, we employ a dyadic data structure to ask which factors influence the cultural distance between individuals from the same birth cohort in the same country. A particular focus will be on two important determinants—the political system and age. Exploiting within-country variation across different birth cohorts, we find that cohorts growing up in a democratic regime are culturally more heterogeneous. This finding introduces a previously unexplored dimension in the debate over the long-term impact of democratic institutions on economic development. By using the “proxy variable approach,” we also disentangle age effects from potential period and cohort effects and find that cultural distance between individuals increases with age. This finding confirms theories of selective memory or “echo chambers” and could have important implications for aging societies.