

BONN ECON NEWS

July 14–18, 2025

Overview

Workshops and seminars

Tuesday, July 15, 2025

ECONtribute LawEcon Workshop

Alexander Ahammer (Johannes Kepler University Linz)

“Firms and Worker Healthcare Utilization”

Wednesday, July 16, 2025

BGSE Micro Workshop

Sulagna Dasgupta (University of Bonn)

“Screening Knowledge with Verifiable Evidence”

Bonn Macro Internal Seminar

1. Zheng Gong (University of Bonn)

2. Moritz May (University of Bonn)

1. “An Asset Price New Keynesian Model”

2. “The Macroeconomics of China’s Demand for U.S. Treasuries”

Micro Theory Seminar

Daniel Krähmer (University of Bonn)

“Security Design with Flexible Moral Hazard and Limited Liability”

Friday, July 18, 2025

Bonn Macro Internal Seminar

1. Mark Toth (University of Bonn)

2. Tim Normann (University of Bonn)

1. “Residential concentration dampens monetary policy transmission”

2. “Fiscal space, debt sustainability, and climate change”

Workshops and seminars

Tuesday, July 15, 2025

ECONtribute LawEcon Workshop

Alexander Ahammer
(Johannes Kepler University Linz)

"Firms and Worker Healthcare Utilization"

Coauthors

Analisa Packham, Jonathan Smith

Time

18:00–19:15 CET

Location

Juridicum, Reinhard Selten Room (0.017)

Abstract

We estimate the role of firms in workers' healthcare utilization. Using linked administrative data on Austrian workers, we exploit mobility between firms to estimate how much a firm contributes to worker-level differences in utilization in a setting with non-employer provided universal health care. We find that firms are responsible for 25 percent of the variation in across-worker healthcare expenditures, driven by peer effects and workplace environment, and that firms contribute to both physical and mental healthcare utilization. We then estimate a model of firm-specific utilization to help better explain these effects and provide new evidence of compensating differentials.

Wednesday, July 16, 2025

BGSE Micro Workshop

Sulagna Dasgupta
(University of Bonn)

"Screening Knowledge with Verifiable Evidence"

Coauthor(s)

Zizhe Xia

Time

12:00–13:00 CET

Location

Juridicum, Reinhard Selten Room (0.017)

Abstract

A principal seeks to screen an agent based on his demonstrable knowledge of a subject matter, modeled as a binary state. The agent learns through two kinds of opposing verifiable signals, each providing evidence in favor of one of the states. In a symmetric setting, we show that under the optimal test, regardless of whether the agent can predict the state correctly, he is failed if his amount of evidence is below a threshold. Otherwise, he is passed if and only if he gives the correct answer. We see this result as rationalizing a common test structure where test-takers are given credit for giving the correct answer only if they show a minimal amount of data, arguments, or steps, in support of their answer. We prove the results by identifying a connection to the optimal transport problem and leveraging it to show the existence of an appropriate virtual value function.

1. Zheng Gong (University of Bonn)

2. Moritz May (University of Bonn)

1. "An Asset Price New Keynesian Model"

2. "The Macroeconomics of China's Demand for U.S. Treasuries"

Coauthors

1. —

2. Christian Bayer, Silvia Miranda-Agrippino, Federica Romei

Time

12:15–13:30 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Abstract 1: "An Asset Price New Keynesian Model"

This paper develops a New Keynesian model in which the wealth effects of asset prices, rather than intertemporal substitution, drive the response of consumption to interest rate changes. Due to information frictions, agents cannot perfectly distinguish between aggregate and idiosyncratic asset price movements, leading to wealth illusion. The marginal propensity to consume (MPC) out of capital gains and the MPC out of income jointly pin down the equilibrium consumption responses. The model yields an Asset Price Euler equation, which provides a structural explanation for differences between the micro and macro elasticity of intertemporal substitution (EIS). An extension to the heterogeneous agent (HA) environment shows that aggregate MPCs play a central role in aggregate shock transmission, in contrast to full-information HA models. Policies aimed at reducing inequality and aggregate MPCs also stabilize macroeconomic fluctuations.

Abstract 2: "The Macroeconomics of China's Demand for U.S. Treasuries"

What are the macroeconomic consequences of China's substantial holdings of U.S. Treasuries? Using a high-frequency identification approach, we present evidence showing that these purchases free up significant fiscal space in the U.S., resulting in a fiscal expansion through higher spending and lower taxes. This expansion has persistent macroeconomic effects. While U.S. terms of trade initially improve and interest rates fall, this pattern reverses in the medium term. After two years, we observe deteriorating terms of trade and higher interest rates. Based on this empirical evidence, we estimate a stylized two-country model of U.S.–China trade relationships. A sudden sell-off of Chinese U.S. Treasury holdings would have a negative, persistent effect on U.S. economic performance without imposing significant economic costs on China. The speed of a large sell-off and the type of policy response matter due to asymmetric effects on trade relationships and international asset demand.

Micro Theory Seminar

Daniel Krähmer (University of Bonn)	"Security Design with Flexible Moral Hazard and Limited Liability"
Time 16:30–17:45 CET Location Juridicum, Faculty Meeting Room (U1.040)	Abstract I study security design with a risk-neutral entrepreneur and a risk-neutral investor who are both protected by limited liability. The project return is determined by an unobservable effort choice by the entrepreneur (moral hazard). Effort is flexible: the entrepreneur can choose any distribution of returns subject to a cost. I characterize the set of implementable distributions and when the first-best is implementable (and optimal). I derive optimal distributions for effort cost functions that are increasing or decreasing in risk or depend only on moments of the distribution. Securities that implement optimal distributions are not unique, and I identify cases where both debt and equity is optimal.

Friday, July 18, 2025

Bonn Macro Internal Seminar

1. Mark Toth (University of Bonn) 2. Tim Normann (University of Bonn)	1. "Residential concentration dampens monetary policy transmission" 2. "Fiscal space, debt sustainability, and climate change"
Coauthor 1. — 2. Sebastian Hildebrand Time 15:30–17:30 CET Location Kaiserplatz 7–9, Room 4.006	Abstract 1 "Residential concentration dampens monetary policy transmission" Housing plays a key role in monetary policy transmission. With this paper, I investigate whether the spatial structure of housing matters as well. For a theoretical perspective, I integrate spatial structure into a monetary business cycle model. I characterize spatial structure via the spatial concentration of housing, that is, via residential concentration. In my theory, a stronger residential concentration dampens consumption responses to monetary policy shocks. Using geospatial data, I empirically validate this prediction for regions in the United States and the Eurozone. My paper establishes that granular spatial features of the housing market affect short-run macroeconomic dynamics. Abstract 2 TBA