

BONN ECON NEWS

FACHBEREICH WIRTSCHAFTSWISSENSCHAFTEN
DEPARTMENT OF ECONOMICS

WORKSHOPS AND SEMINARS April 25 - 29, 2022

Tuesday, April 26, 2022

Applied Micro Seminar
16:00 CET, via Zoom, details below

Kelly Shue, Yale School of Management
"Potential" and the Gender Promotion Gap

Wednesday, April 27, 2022

MEF-Seminar (Macro/ Econometrics/ Finance)
12:15 – 13:30 CET, Juridicum, Faculty Room

Dr. Alaïs Martin Baillon, Sciences Po
"When should we tax firms? Optimal corporate taxation with firm heterogeneity"

Finance/CRC/ECONtribute Seminar
14:45 – 16:00 CET, via Zoom and at Juridicum, Faculty Lounge, room n° 0.036, details below

Javier Suarez, CEMFI and DEPR
"Capital Forbearance in the Bank Recovery and Resolution Game"

Micro Theory Seminar
16:30 CET, Juridicum, Faculty Room

Deniz Dizdar, University of Montreal
"Competing Pre-match Investments Revisited: A Characterization of Monotone Bayes-Nash Equilibria in Large Markets"

Thursday, April 28, 2022

IZA Research Seminar
14:00 CET, via Zoom and at IZA Schaumburg-Lippe-Str. 9, 53113 Bonn, Conference Room 9, details below

Iris Kesternich, KU Leuven
"Job flexibility and work meaning – the family perspective and implications for gender wage gaps"

MacroHistory Seminar
17:00 – 18:00 CET, via Zoom, details below

Andrea L. Eisfeldt, UCLA Anderson School of Management
"Bonds vs. Equities: Information for Investment"

Friday, April 29, 2022

YEP Seminar ECONtribute
13:00 CET, via Zoom, details below

Matthew Knowles, University of Cologne
"Aggregate Wage Rigidity in the United States"

SPECIAL RECOMMENDATIONS ON UPCOMING EVENTS

Monthly Podcast

ECONtribute Podcast Special #Ukraine
Monthly episodes, details below

Moritz Schularick, Carolin Jackermeier
Focus on economic consequences of the war

Friday, June 10, 2022

ECONtribute Selten Salon

17:00-19:00 CET
Studio Dumont, Breite Str. 72, 50667 Cologne

Prof. Dr. Claudia Buch,
Vice President of the German Federal Bank
„Why is financial stability important for society?“

For registration and further information, details below

Applied Micro Seminar

Kelly Shue, Yale School of Management
“Potential” and the Gender Promotion Gap
With Alan Benson and Danielle Li

Abstract

We show that widely-used subjective assessments of employee "potential" contribute to gender gaps in promotion and pay. Using data on 29,809 management-track employees from a large North American retail chain, we find that women receive substantially lower potential ratings despite receiving higher job performance ratings. Differences in potential ratings account for 30-50% of the gender promotion gap. Women's lower potential ratings do not appear to be based on accurate forecasts of future performance or attrition: women subsequently outperform male colleagues with the same potential ratings, both on average and on the margin of promotion, and women are less likely to exit the firm. Despite this, women's subsequent potential ratings remain low, suggesting that firms persistently underestimate the potential of their female employees.

Zoom URL tba via mailing list

MEF-Seminar (Macro/ Econometrics/ Finance)

Dr. Alaïs Martin Baillon, Sciences Po

“When should we tax firms? Optimal corporate taxation with firm heterogeneity”

Abstract

Corporate fiscal policy over the business cycle is carried out in very different ways over time and across countries. Moreover, little is known about how it should be conducted. This paper studies the design of optimal fiscal policy in a heterogeneous firm environment, when the economy is hit by aggregate shocks. It provides tools to understand when and how heterogeneous firms should be taxed or subsidized over cycles. To tackle this issue, I first solve a tractable model which delivers a simple distribution of firms. In this framework, I provide an analytical characterization of the corporate tax rate over the business cycle. Then, using a fully fledged heterogeneous firm model and cutting-edge computational method, I solve for the optimal path of the tax rate in this environment. My main result is that, in both exercises, the variation of the optimal tax rate depends on the expected persistence of the aggregate shock. This is due to the presence of financial constraints that prevent the allocation of capital from being optimal. I show that the magnitude of this problem varies over the business cycle depending on the persistence of the aggregate shock. When the shock is very persistent, this problem decreases and the optimal tax rate is pro-cyclical. On the contrary, when the shock is not persistent, this problem increases and the optimal tax rate is counter-cyclical.

At the Faculty Room only, Juridicum

Finance/ CRC/ ECONtribute Seminar

Javier Suarez, CEMFI and DEPR

“Capital Forbearance in the Bank Recovery and Resolution Game”

With Natalya Martynova and Enrico Perotti

Abstract

We analyze the strategic interaction between undercapitalized banks and a supervisor in the context of a recovery and resolution framework in which early recapitalizations can prevent later disorderly failures. Capital forbearance emerges because reputational, political, economic and fiscal costs undermine supervisors' commitment to publicly resolve the banks that miss the request to privately recover. Under a weaker resolution threat, banks' incentives to recover are lower and supervisors may end up having to resolve more banks. When resolution capacity is constrained (e.g. for fiscal reasons), private recovery actions become strategic complements, producing equilibria with extremely high forbearance and high systemic costs.

At the Faculty Lounge, Juridicum, room n° 0.036 and via Zoom

Zoom: <https://uni-bonn.zoom.us/j/95735374743?pwd=T3BYbWt1bVZNelkvcDV3SUcxUlkrUT09>

Deniz Dizdar, University of Montreal

"Competing Pre-match Investments Revisited: A Characterization of Monotone Bayes-Nash Equilibria in Large Markets"

Abstract

We solve an open problem pertaining to the relationship between competitive and non-cooperative models of pre-match investment. We study an incomplete information version of Peters and Siow's (2002) model of competing pre-marital investments and NTU matching, with finitely many agents and i.i.d. types. Our main result is a precise characterization of side-symmetric, strictly monotone Bayes-Nash equilibrium (SSMBNE) behavior when the market grows large and the empirical type distributions converge to those of an unbalanced continuum economy à la Peters and Siow (2002).

We find that the limits of SSMBNE strategies always differ from competitive (hedonic) equilibrium strategies, and that there is always inefficient overinvestment on both sides of the market. Our analysis relies on a novel way of using results from the theory of approximate distributions of order statistics that allows us to characterize equilibrium behavior even though the limit strategies must be discontinuous and the size of the discontinuities is determined by a complex, two-sided interaction. These techniques should be useful for the analysis of other large Bayesian games with discontinuous payoffs and interacting distributions of outcomes.

At the Faculty Room only, Juridicum

Iris Kesternich, KU Leuven

„Job flexibility and work meaning – the family perspective and implications for gender wage gaps”
With Thimo De Schouwer, Liebrecht De Sadeleer and Frederic Vermeulen

Abstract

Gender differences in preferences for job amenities are an important determinant of the gender wage gap. The existing literature concentrates on workplace flexibility, which women value higher than men because it facilitates the combination of market labor, household work, and childcare. Recent work in behavioral economics emphasizes the importance of a different job amenity - work meaning or mission orientation - and suggests that women value meaning higher than men. I will present the results of two recent projects. First, a collective labor supply model that allows to analyze the choice of hours worked, flexibility, and time spent with children at the family-level. Choosing flexibility may reduce wages and decision power and thus affect the distribution of family resources. A hidden cost of recent policies aimed at increasing flexibility may be that wages and bargaining power of women decrease. Second, I will combine the labor economics (flexibility) with the behavioral (meaning of work) perspective. Choosing occupations and sectors with high meaning (like health and education) may restrict the flexibility choice and force women to reduce their labor supply.

Hybrid format

Zoom: <https://iza-org.zoom.us/j/87487213161>

In person: IZA, Schaumburg-Lippe-Str. 9, 53113 Bonn, Conference room 9

If you would like to attend the seminar in person, please register your interest

here: <https://forms.gle/i1XWaM1qFXUqq6bb6>

MacroHistory Seminar

Andrea L. Eisfeldt, UCLA Anderson School of Management

„Bonds vs. Equities: Information for Investment“

With Huifeng Chang, Adrien d’Avernas

Abstract:

We explain why credit spreads explain firm-level investment better than equity volatility does. While credit spreads always predict lower investment, the sensitivity of investment to equity volatility changes sign in the cross section of firms depending on their distance to default. Higher equity volatility predicts greater investment for firms far from their default threshold, consistent with a larger option value of investment at higher levels of volatility. On the other hand, higher equity volatility predicts lower investment for firms with high credit spreads, consistent with debt overhang. Opposite effects at the firm level wash out and confound aggregate inference. We provide clean intuition using a simple model.

Via Zoom:

<https://uni-bonn.zoom.us/j/65260388992?pwd=YWVmRjVPUmZoSVRSMIhUWDczUkoOUT09>

Meeting-ID: 652 6038 8992

Kenncode: 308052

YEP Seminar ECONtribute

Matthew Knowles, University of Cologne

„Aggregate Wage Rigidity in the United States“

Zoom URL tba via mailing list

ECONtribute Podcast Special #Ukraine

Moritz Schularick, ECONtribute, University of Bonn UCL
„Focus on economic consequences of the war”

Abstract:

Kicking off the season, Prof. Dr. Moritz Schularick, professor at ECONtribute at the University of Bonn, analyzes possible economic consequences of an embargo on Russian energy. Would there be blackouts in Germany? How severely would the economy decline? And why are politicians hesitant to impose an import ban?

In monthly episodes of about 30 minutes, Carolin Jackermeier discusses the most exciting topics of ECONtribute research with researchers from the Universities of Bonn and Cologne as well as external guests and provides insight into the work of the Cluster of Excellence.

Podcast: <https://econtribute.de/de/newsroom/#podcast>

ECONtribute Selten Salon

Claudia Buch, Vice President of the German Federal Bank
„Why is financial stability important for society?”

Abstract:

The functioning of the financial system is of central importance for real economic development. Financial crises have shown that disruptions in the financial system can harm economic and employment growth and burden government budgets. It is therefore important that the system is sufficiently resilient. After all, a stable financial system can also cushion unexpected events – even during periods of upheaval in the real economy. But how stable is the financial system and what are the current challenges? These and other questions will be explored by Prof. Dr. Claudia Buch in her lecture.

Friday, June 10, 2022, 17:00-19:00 CET

Studio Dumont, Breite Str. 72, 50667 Cologne

Registration and further information on:

<https://econtribute.de/event-registration-selten-salon/>

<https://econtribute.de/de/event/selten-salon-mit-claudia-buch/>

Redaktionsschluss / Deadline
BONN ECON NEWS May 02 - 06, 2022
Wednesday, April 27, 2022
12:00 CET

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