

BONN ECON NEWS

November 18–22, 2024

Overview

Workshops and seminars

Monday, November 18, 2024

IZA Guest Seminar

Libertad González (Universitat Pompeu Fabra and Barcelona School of Economics)

“Fathers’ Time-Use while on Paternity Leave: Childcare or Leisure?”

Econometrics & Statistics joint with Munich & Mannheim

Kevin Chen (University of Stanford)

“Empirical Bayes When Estimation Precision Predicts Parameters”

Tuesday, November 19, 2024

BGSE Applied Microeconomics Workshop

Chen Lin (BGSE)

“Firm Relocation and Worker Outcomes”

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Andreas Gulyas (University of Mannheim)

“The Role of Wages and Fringe Benefits in Job Search”

Wednesday, November 20, 2024

BGSE Micro Workshop

Jan Napp (BGSE)

“Repeated Delegation with Unknown Preferences”

BGSE Micro Workshop

Lina Uhe (BGSE)

“Economic Applications of Convex Function Intervals”

MEF/ECONtribute Seminar (Macro/Econometrics)

Francesco Zanetti (University of Oxford)

“Agreed and Disagreed Uncertainty”

Finance/CRC Seminar

Sylvain Catherine (University of Pennsylvania)

“How Do Income-Driven Repayment Plans Benefit Student Debt Borrowers?”

Micro Theory Seminar

Martin Hellwig (University of Bonn)

“The ‘r vs. g’ Criterion for Dynamic Inefficiency in Overlapping-Generations Models under

Uncertainty”

Friday, November 22, 2024

Applied Micro Coffee

Philipp Schirmer (University of Bonn)

“Complexity and Participation”

Roundtable Discussion and Workshop (Center for Science and Thought)

Olivia Erdélyi (University of Bonn)

“AI and Fundamental Values - From Aspiration to Implementation”

Registration required: Tanja Mlinski (mlinski@uni.bonn.de)

Preview: November 28 - 29, 2024

Kick-off Workshop: Center for Advanced Studies "Finance & Inequality" (CASFI)

Registration required

There are still a few free spots available. Please contact Ms Kim Schneider (kim.schneider@uni-bonn.de) to register.

Workshops and seminars

Monday, November 18, 2024

IZA Guest Seminar

Libertad González
(Universitat Pompeu Fabra and
Barcelona School of Economics)

"Fathers' Time-Use while on Paternity Leave: Childcare or
Leisure?"

Coauthors

Luis Guirola, Laura Hospido

Time

12:15–13:15 CET

Location

IZA, Conference Room, Schaumburg-Lippe-
Straße 9

Abstract

We provide evidence of fathers' time-use during paternity leave by studying the timing of paternity leave spells around a large sports event with strong male following: the 2022 Soccer World Cup. We use administrative data from Spain, a country with generous paternity leave policies and a strong following of soccer competitions. Our data cover the universe of paternity (and maternity) leave spells, and we exploit the exact dates of the 2022 World Cup in a difference-in-differences framework. We show that during the exact dates of the Qatar World Cup (November 20–December 18, 2022), there was a daily excess of more than 1,000 men on paternity leave (1.3%), relative to the surrounding dates, and using the year before and after as controls (for seasonality). We also show in triple-differences specifications that this excess is not present in maternity leave spells, or in paternity leave spells among self-employed workers (with much more flexible schedules). We interpret these results as direct evidence that (at least a fraction of) fathers use paternity leave for purposes unrelated to childcare.

Econometrics & Statistics joint with Munich & Mannheim

Kevin Chen
(University of Stanford)

"Empirical Bayes When Estimation Precision Predicts
Parameters"

Time

18:00–19:00 CET

Only Online

[https://lmu-munich.zoom-x.de/j/
64143275872?
pwd=aLG89T5SDQhbxS06IWLEc7KJZN70w
U.1](https://lmu-munich.zoom-x.de/j/64143275872?pwd=aLG89T5SDQhbxS06IWLEc7KJZN70wU.1)

Abstract

Empirical Bayes methods usually maintain a prior independence assumption: The unknown parameters of interest are independent from the known standard errors of the estimates. This assumption is often theoretically questionable and empirically rejected. This paper instead models the conditional distribution of the parameter given the standard errors as a flexibly parametrized family of distributions, leading to a family of methods that we call CLOSE. This paper establishes that (i) CLOSE is rate-optimal for squared error Bayes regret, (ii) squared error regret control is sufficient for an important class of economic decision problems, and (iii) CLOSE is worst-case robust when our assumption on the conditional distribution is misspecified. Empirically, using CLOSE leads to sizable gains for selecting high-mobility Census tracts. Census tracts selected by CLOSE are substantially more mobile on average than those selected by the standard shrinkage method.

BGSE Applied Microeconomics Workshop

Chen Lin (BGSE)	"Firm Relocation and Worker Outcomes"
<p>Time 13:00–14:00 CET</p> <p>Location IZA, Conference Room, Schaumburg-Lippe-Straße 9</p>	<p>Abstract Geographic relocation is an important decision in a firm's lifecycle; however, its impact on worker-level outcomes is not well understood. Using Dutch linked employer–employee data and a matched difference-in-differences design, I document that cross-municipality firm relocations are followed by a substantial increase in job transitions among incumbent workers. The effect is larger for long-distance relocations, suggesting that workers' mobility constraints may play a role in these job transitions. Additionally, relocations are associated with reduced working hours for both workers who stay and those who leave. There is no clear evidence that relocating firms compensate workers with higher wages.</p>

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Andreas Gulyas (University of Mannheim)	"The Role of Wages and Fringe Benefits in Job Search"
<p>Coauthors Andreas Beerli, Stefano Fiorin, Mahsa Khoshnama, Daniel Kopp, Michael Siegenthaler</p> <p>Time 14:15–15:30 CET</p> <p>Location IZA, Conference Room, Schaumburg-Lippe-Straße 9</p>	<p>Abstract This paper studies the role of wages and job benefits in job search behavior. We use wage and benefit data from a market-leading employer review platform and run a large-scale randomized controlled trial on 112 online job boards to estimate the elasticity of job seekers' applications to posted wages and their willingness to pay for job benefits. A 10% higher wage increases job seekers' probability to view and apply to an ad by 3–5%. Job seekers in lower-paid occupations exhibit a higher sensitivity to wages. Many job benefits are highly valued by job seekers: Home office is valued at around 18 percent of wages, company car at 14 percent, and company-provided child care, and parking spots at around 9 percent of wages. The average vacancy offers job benefits worth 23 percent of wages. We further document that higher-paying firms typically offer more amenities. Taking the distribution and valuation of job benefits into account, we show that job value inequality is significantly higher than wage inequality.</p>

BGSE Micro Workshop

Jan Napp (BGSE)	"Repeated Delegation with Unknown Preferences"
<p>Time 12:00–12:30 CET</p> <p>Location Juridicum, Reinhard Selten Room (0.017)</p>	<p>Abstract</p> <p>We study a repeated delegation model, in which an agent has not merely private information on an evolving state, but also on her constant bias. This creates incentives for the principal to learn the private bias based on an agent's past play and incorporate this consideration into the discretion she grants the agent over time. We characterize the optimal static solution and subsequently sketch the repeated problem.</p>

BGSE Micro Workshop

Lina Uhe (BGSE)	"Economic Applications of Convex Function Intervals"
<p>Time 12:30–13:00 CET</p> <p>Location Juridicum, Reinhard Selten Room (0.017)</p>	<p>Abstract</p> <p>We study convex function intervals: the set of all convex functions on the unit interval that lie between two given boundary functions. A structure like this arises in mechanism and information design settings including delegation problems with outside options and Bayesian persuasion involving an external information source. Our main result characterizes the extreme points of convex function intervals. We apply our findings to provide some insights into delegation to a constantly biased agent with outside options, information design for a sender with S-shaped value function under availability of external information, and the design of optimal outside options.</p>

MEF/ECONtribute Seminar (Macro/Econometrics)

Francesco Zanetti
(University of Oxford)

"Agreed and Disagreed Uncertainty"

Coauthors

Luca Gambetti, Dimitris Korobilis, John D. Tsoukalas

Time

12:15–13:30 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Abstract

When agents' information is imperfect and dispersed, existing measures of macroeconomic uncertainty based on the forecast error variance have two distinct drivers: the variance of the economic shock and the variance of the information dispersion. The former driver increases uncertainty and reduces agents' disagreement (agreed uncertainty). The latter increases both uncertainty and disagreement (disagreed uncertainty). We use these implications to identify empirically the effects of agreed and disagreed uncertainty shocks, based on a novel measure of consumer disagreement derived from survey expectations. Disagreed uncertainty has no discernible economic effects and is benign for economic activity, but agreed uncertainty exerts significant depressing effects on a broad spectrum of macroeconomic indicators.

Finance/CRC Seminar

Sylvain Catherine
(University of Pennsylvania)

"How Do Income-Driven Repayment Plans Benefit Student Debt Borrowers?"

Coauthors

Mehran Ebrahimian, Constantine Yannelis

Time

14:45–16:00 CET

Location

Juridicum, Faculty Lounge (0.036)

Abstract

The rapid rise in student loan balances has raised concerns among economists and policymakers. Using administrative credit bureau data, we find that nearly half of the increase in balances from 2010 to 2020 is due to deferred payments, largely driven by the expansion of income-driven repayment (IDR) plans, which link payments to income. These plans help borrowers by smoothing consumption, insuring against labor income risk, and reducing the present value of future payments. We build a life-cycle model to quantify the welfare gains from this payment deferral and the channels through which borrower welfare increases. New, more generous IDR rules increase these transfers from taxpayers to borrowers without yielding net welfare gains. By lowering the average marginal cost of undergraduate debt to less than 50 cents per dollar, these rules may also incentivize excessive borrowing. We demonstrate that an optimally calibrated IDR plan can achieve similar welfare gains for borrowers at a much lower cost to taxpayers, and without encouraging additional borrowing, primarily through maturity extension.

Micro Theory Seminar

Martin Hellwig
(University of Bonn)

"The "r vs. g" Criterion for Dynamic Inefficiency in Overlapping-Generations Models under Uncertainty"

Time

16:30–17:45 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Abstract

For overlapping-generations models under uncertainty, conditions for dynamic inefficiency depend on how certainty equivalents of marginal rates of return on social security contributions (CERSS) compare to shadow safe rates, i.e., to marginal rates of substitution between non-contingent changes in consumption in successive periods. If there exists a social security scheme with CERSS exceeding shadow safe rates in all states, the laissez-faire equilibrium allocation is inefficient. Conditions for the existence of such a scheme are given by a long-run average "r vs. g" criterion involving the geometric means of CERSS and of shadow safe rates under invariant distributions for the state variables of the equilibrium stochastic process. In this criterion, a correction factor takes account of the convexity involved in compounding returns over time; this factor slants the assessment towards inefficiency.

Friday, November 22, 2024

Applied Micro Coffee

Philipp Schirmer
(University of Bonn)

"Complexity and Participation"

Time

11:00-11:45 CET

Location

IZA, Conference Room, Schaumburg-Lippe-Straße 9

Hybrid

[https://uni-bonn.zoom-x.de/j/67208563416?](https://uni-bonn.zoom-x.de/j/67208563416?pwd=MhXepJyBzPIIDTDzT1YmKlpIVtHuf6.1)

[pwd=MhXepJyBzPIIDTDzT1YmKlpIVtHuf6.1](https://uni-bonn.zoom-x.de/j/67208563416?pwd=MhXepJyBzPIIDTDzT1YmKlpIVtHuf6.1)

Abstract

Much of households' economic decision-making, such as stock market participation, mortgage refinancing, or switching the energy provider, comes with a preceding decision: Whether to engage with the problem or opt out, sticking with the passive status quo. I hypothesize that households' non-participation is often driven by a high perceived complexity of finding the optimal solution. I propose an experimental design to test whether initially perceived complexity, rather than the actual return to cognitive effort, explains non-participation. Finally, I test whether the complexity originating from identifying a solution algorithm drives non-participation more than the complexity of implementing such an algorithm.

Roundtable Discussion and Workshop (Center for Science and Thought)

<p>Olivia Erdélyi (University of Bonn)</p>	<p>"AI and Fundamental Values - From Aspiration to Implementation"</p>
<p>Coauthors Theodore S. Boone, Robert Kroplewski</p>	<p>Abstract A fundamental agreement between the EU, US and international organizations is that the use of AI should be ethical, fair, reliable, safe, secure, inclusive, transparent and accountable. However, this also raises a few questions: How does one actually achieve these goals in a practical sense and what if these goals conflict with each other? What laws on AI, if any, are appropriate and how are the EU and the US approaching the legal regulation of AI? How are UNESCO and other international organizations addressing AI? Do AI goals and ESG goals conflict? Does the rise of AI threaten our security? How can one best foster AI innovation while protecting core values?</p>
<p>Time 14:15–16:00 CET</p>	
<p>Location Juridicum, Seminar Room 1.016 (West Tower)</p>	
<p>Registration required: Tanja Mlinski (mlinski@uni.bonn.de)</p>	<p>More on our website: https://www.desirableai.com/events/ai-and-fundamental-values</p>

Preview: November 28 - 29, 2024

Kick-off Workshop: Center for Advanced Studies "Finance & Inequality" (CASFI)

<p>Registration required</p>	
<p>There are still a few free spots available. Please contact Ms Kim Schneider (kim.schneider@uni-bonn.de) to register.</p>	<p>for more details please see the program</p>