

BONN ECON NEWS

January 13–17, 2025

Overview

Workshops and seminars

Tuesday, January 14, 2025

BGSE Brown Bag Seminar in Applied Microeconomics

Simon Rimmel (BGSE)

“The Absence of Markets for Repair: A Behavioral IO Perspective”

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Spencer Yongwook Kwon (Brown University)

“Persuasion through Cues”

MPI EEG Seminar

Ana Costa-Ramon (University of Zurich)

“(Not) Thinking about the Future: Inattention and Maternal Labor Supply”

Wednesday, January 15, 2025

BGSE Micro Workshop

Ujjwal Kumar (University of Bonn)

“On the existence of EFX allocations”

Micro Theory Seminar

Andriy Zapechelnyuk (University of Edinburgh)

“Optimal Inquiry”

Thursday, January 16, 2025

Econometrics & Statistics

Christian Bontemps (Toulouse School of Economics)

“Title”

Friday, January 17, 2025

Applied Micro Coffee

Simon Cordes (University of Bonn)

“Firms’ Beliefs and the Wage Posting Puzzle”

Bonn Macro Internal Seminar

Theresa Linhard (University of Bonn)

Sugarkhuu Randaa (University of Bonn)

“Beyond Vows: Family Structure and Inequality”

“Exchange rate policy and Production Network”

Workshops and seminars

Tuesday, January 14, 2025

BGSE Brown Bag Seminar in Applied Microeconomics

Simon Rimmel
(BGSE)

"The Absence of Markets for Repair: A Behavioral IO
Perspective"

Time

13:15–14:00 CET

Location

IZA, Conference Room, Schaumburg-Lippe-
Straße 9

Abstract

Repair of durable goods is considered an important feature of a more sustainable economy by policymakers. Why do they have concerns about markets for repair being too small? How could these concerns be valid given manufacturers' power over repair markets (Federal Trade Commission, 2021)? To understand this puzzle better, I develop a model of two markets with two firms and naïve consumers. Repair market monopolization is a dominant strategy, firms face a trade-off though: offering repairs allows for price discrimination but also cannibalizes the profit from new products. Firms do not offer repair in equilibrium only under a very particular form of naïveté: consumers are insensitive to repair market monopolization when buying new products and don't update upon noticing the consequences.

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

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| <p>Spencer Yongwook Kwon (Brown University)</p> | <p>"Persuasion through Cues"</p> |
| <p>Coauthor John Conlon</p> <p>Time 14:15–15:30 CET</p> <p>Location IZA, Conference Room, Schaumburg-Lippe- Straße 9</p> | <p>Abstract</p> <p>We describe and experimentally test a model where an agent facing a complex decision forms beliefs by sampling or "simulating" relevant states. Crucially, simulation is subject to similarity-based cuing: states similar to the agent's current context are more easily simulated, and a persuader can manipulate the agents' beliefs by altering this context. Even objectively uninformative cues simply highlighting known states can be persuasive if they facilitate simulation of otherwise neglected states. Experimentally, participants' beliefs are highly susceptible to such persuasion through cues. Separately elicited similarity judgments allow us to predict both the direction and magnitude of such effects, where we find a close quantitative fit between model-implied and empirical treatment effects. We then explore the economic implications of our model by embedding it into simple financial-investment and consumer-choice settings. Agents' beliefs are more malleable about products with more variable utility because cues can direct simulation toward such products' more favorable states. Persuaders therefore design higher-variance products—be they investment portfolios or consumer goods—to exploit this cue-based persuasion. When a firm produces multiple goods, cue-based persuasion also generates endogenous brands: products that the firm chooses to associate or dissociate depending on which states it wants its consumers to simulate.</p> |

MPI EEG Seminar

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| <p>Ana Costa-Ramon (University of Zurich)</p> | <p>"(Not) Thinking about the Future: Inattention and Maternal Labor Supply"</p> |
| <p>Coauthors Ursina Schaeede, Michaela Slotwinski and Anne Brenøe</p> <p>Time 16:00–17:00 CET</p> <p>Location MPI Bonn, EG Seminar Room</p> | <p>Abstract</p> <p>The "child penalty" significantly reduces women's lifetime earnings and pension savings, but it remains unclear whether these gaps are the deliberate result of forward-looking decisions. This paper provides novel evidence on the role of cognitive constraints in mothers' labor supply decisions. In a large-scale field experiment that combines rich survey and administrative data, we provide mothers with objective, individualized information about the long-run costs of reduced labor supply. The treatment increases demand for financial information and future labor supply plans, in particular among women who underestimated the long-term costs. Leveraging linked employer administrative data one year post-intervention, we observe that these mothers increase their actual labor supply by 6 percent over the mean.</p> |

BGSE Micro Workshop

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| Ujjwal Kumar (University of Bonn) | "On the existence of EFX allocations" |
| Time 12:00–13:00 CET | Abstract We consider a problem in fair division where a finite set of indivisible goods is to be divided amongst agents and each agent has a (non-negative) valuation function that assigns valuations for every possible bundle of goods. An allocation is a partition of the set of goods. An allocation is said to be EFX if no agent envies any other agent following the removal of any single good from the other agent's allocated bundle. An important problem in fair division that is yet to be solved is the following: "Does an EFX allocation always exist?". The existence of an EFX allocation is known for the case of two agents, but the problem is not yet settled for the case of three or more agents. We show that if two agents have any arbitrary valuation functions and the remaining agents have "restricted" valuation functions, then an EFX allocation always exists. |
| Location Juridicum, Reinhard Selten Room (0.017) | |

Micro Theory Seminar

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| Andriy Zapechelnjuk (University of Edinburgh) | "Optimal Inquiry" |
| Coauthor Tai-Wei Hu | Abstract A decision maker acquires and processes information about an uncertain state of nature by an inquiry: a contingent sequence of questions to be asked before a decision is reached. Inquiry is a costly activity, with the cost proportional to its length. We characterize optimal inquiries and uncover two behavioral implications associated with costly inquiry: attention span reduction (i.e., favoring shorter inquiries by focusing on a subset of decisions and assigning them different priorities) and confirmation bias (i.e., seeking evidence through inquiry to confirm a prior guess of which decisions are optimal). This framework can be used to understand prominent cognitive biases, such as framing and search satisficing in healthcare and tunnel vision in criminal investigation. |
| Time 16:30–17:45 CET | |
| Location Juridicum, Faculty Meeting Room (U1.040) | |

Thursday, January 16, 2025

Econometrics & Statistics

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| Christian Bontemps (Toulouse School of Economics) | "Title" |
| Time 16:00–17:00 CET | Abstract TBA |
| Location Juridicum, Faculty Meeting Room (U 1.040) | |

Friday, January 17, 2025

Applied Micro Coffee

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|---|---|
| Simon Cordes (University of Bonn) | "Firms' Beliefs and the Wage Posting Puzzle" |
| Coauthor Max Müller | Abstract |
| Time 11:00-11:45 CET | A job's wage is its most important feature. Despite positive effects on hiring and productivity, most of job listings do not provide information about their wage. We study the origin of this <i>wage posting puzzle</i> . In a simple model, we show that higher-wage firms can attract more workers by disclosing their wage. This <i>unravelling</i> logic breaks down when firms' beliefs about relative wages are compressed towards the median. In a survey with firms linked with administrative data, we propose to test this prediction. In a follow-up survey, we plan to correct beliefs to investigate their causal effect on the wage posting decision. |
| Location IZA, Schaumburg-Lippe-Straße 9 | |
| Hybrid https://uni-bonn.zoom-x.de/j/67208563416?pwd=MhXepJyBzPIIDTDzT1YmKlpIVtHuf6.1 | |
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Bonn Macro Internal Seminar

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| 1. Theresa Linhard (University of Bonn) | 1. "Beyond Vows: Family Structure and Inequality" |
| 2. Sugarkhuu Randaa (University of Bonn) | 2. "Exchange rate policy and Production Network" |
| Time 15:30–17:10 CET | Abstract --- |
| Location Kaiserplatz 7–9, Room 4.006 | |