RESTUD North American Tour

Host: The Pennsylvania State University
Location: The Penn Stater Conference Center
Dates: Sunday, October 18 and 19th. The conference will start on Sunday, October 18 at noon and end at 1:30 pm on Monday the 19th.

We plan to organize a hike with some faculty as an excursion on Monday afternoon, weather permitting.

Sunday, October 18

12:00 Boxed lunch for participants.

12:30-12:35 Welcome

12:35-1:50 Session 1 Theory. **Haoyuan Zeng**

Identity-Compatible Auctions

Abstract: This paper studies the incentives of the seller and buyers to shill bid in a single-item auction. An auction is seller identity-compatible if the seller cannot profit from pretending to be one or more bidders via fake identities. It is buyer identity-compatible if no buyer profits from posing as more than one bidder. Lit auctions reveal the number of bidders, whereas dark auctions conceal the information. We characterize three classic selling mechanisms— first-price, second-price, and posted-price—based on identity compatibility. We show the importance of concealing the number of bidders, which enables the implementation of a broader range of outcome rules. In particular, no optimal lit auction is ex-post seller identity-compatible, while the dark first-price auction (with reserve) achieves the goal.

1:50-2:05 Discussant Rakesh (Ricky) Vohra 15 minutes

2:05-2:10 Questions from the floor 5 minutes

2:10-2:30 Coffee break 20 minutes

2:30-3:45 Session 2 Econometrics. **Bjoern Hoeppner**.

Group-Specific Heterogeneity in Short Binary Outcome Panels

Abstract: When the number of time periods is small, identification of binary outcome panel data models that allow for heterogeneity is inherently difficult. This paper presents identification and estimation results for such models in the presence of latent group-specific heterogeneity. We assume that each unit belongs to a time-invariant latent group,

so the joint distribution of the binary outcomes conditional on the covariates is a finite mixture model. Under mild conditions, the group-specific conditional outcome models are fully nonparametrically identified, with identification being possible with as few as two time periods. We also provide conditions under which group-specific average marginal effects are identified. In addition, we develop a novel semiparametric estimator for the setup of interest and study its asymptotic properties. Simulations indicate that the estimator performs well in finite samples. We illustrate the estimation procedure and how to interpret the latent groups empirically in the context of homeownership in Germany.

3:45-4:00 Discussants **Jiaying Gu**, **Yuichi Kitamura**, **Louise Laage**, **Elena Manresa**, 15 minutes

4:00-4:05 Questions from the floor

4:05-4:25 Coffee break 20 minutes

4:25-5:40 Session 3 Macro. **Adrien Couturier**

The Sentiment Channel of Fiscal Policy

(with Marco Bellifemine and Jacopo Tozzo)

Abstract: How does government spending stimulate the economy? We uncover a new transmission channel—the sentiment channel—by showing that government spending makes firms overoptimistic about their future demand, thereby stimulating investment and output. We assemble a novel dataset linking microdata on Italian firms' sales, sales forecasts, and public procurement contracts. Using a natural experiment that shifted public spending across municipalities, we find that an increase in government demand makes firms systematically overoptimistic about their future sales. This overoptimism is pervasive, as firms also raise their expectations about export sales. To interpret these findings, we develop a theory of expectations in which shocks to total sales make a firm overoptimistic about both its public and private sales. We embed this model of expectations in a heterogeneous-firm New Keynesian model disciplined with our causal estimates. Government spending boosts firms optimism which prompts them to invest, crowding-in investment in general equilibrium—thereby doubling the government spending multiplier. This amplification is state-dependent: our model predicts that the multiplier is a third smaller during financial crises than in recessions without financial distress.

5:40- 5:55 Discussants: **David Argente, Jonathon Becker, Eric Donald, Lorenz Ekerdt, Philipp Kircher, Dirk Krueger, Venkey Venkateswaran**. 15 minutes

5:55-6:00 Questions from the floor

Drinks and Dinner 6:00 pm-

Monday, October 19

8:30-9:05 am Coffee starting from 8:30am and you can pick up breakfast at 9:00am and bring it to the room.

9:05-10:20 Session 4 Development**. Ananya Kotia**

When Competition Compels Change: Trade, Management, and Productivity

Abstract: Competition reallocates resources toward more productive firms, raising aggregate productivity. In this paper, I show that competition also operates within firms, inducing organizational change that raises managerial efficiency. I exploit a product-specific import competition shock in India, assembling novel data on family-managed firms—the predominant form of corporate governance worldwide—with tenure records and family ties for over 6 million company executives and directors. Using an event-study design, I show that the least productive exposed firms respond to import competition by replacing family managers with non-family, professional executives. Firms that professionalize experience productivity gains of over 30 percent. To quantify the aggregate implications of these managerial adjustments, I develop a quantitative model that embeds management choice in a model of heterogeneous firms with monopolistic competition. Firms trade off the non-pecuniary private benefits of family management against the profit gains from professionalization. I calibrate the model to Indian firm-level data and find that the large productivity gains among firms that professionalize make only a modest contribution to aggregate productivity growth because professionalization weakens the selection induced by import competition. By allowing marginal firms to survive, however, professionalization preserves varieties and raises welfare relative to a model in which family firms cannot professionalize.

10:20-10:35 Discussant **Gaurav Chiplunkar** 15 minutes

10:35-10:40 Questions from the floor 5 minutes

10:40-11:00 Break 20 minutes

11:00-12:15 Session 5 Development. **Amen Jalal**

Screening Women Out? Pay Transparency in Job Postings

Abstract: Up to half of the gender pay gap stems from women's sorting into low-wage firms. Do women prefer amenities to wages, or face barriers to

search? I tackle this question using data on 29 million job applications from Pakistan’s largest job search platform, combined with firm and worker surveys and a field experiment mandating pay transparency. I document that large, high-paying firms are more likely to omit salaries in job ads and less likely to offer flexibility– an amenity women value slightly more than men. When pay is disclosed, men and women respond similarly to wages. But when undisclosed, behaviors diverge: men search randomly, while women sort negatively on pay. A theoretical framework shows that pay non-disclosure amplifies small gender differences in amenity preferences into large gender gaps in applications. To test whether transparency closes these gaps, I randomize mandatory versus optional pay disclosure in 20,088 jobs across 8,906 firms on the platform. The experiment leaves large-firm pay and amenities unchanged. Yet women’s applications to these firms increase 95%, and men’s 59%, reversing the gender gap in directed search. This implies women do not prefer flexibility to wages. Rather, they turn to flexibility when they cannot access wages. Meanwhile, large firms most exposed to mandated transparency become 30% more likely to disclose pay post-experiment, suggesting they overestimated the costs of transparency.

12:15-12:30 Discussant **Ameet Morjaria** 15 minutes

12:30-12:35 Questions from the floor 5 minutes

12:35 Lunch in Gardens Restaurant