



Upcoming Seminars

Monday, 24.6.2019

Departmental Seminar

13.30-14.30

AWI 00.010

Ricardo Perez-Truglia, UCLA

(invited by Dietmar Fehr)

"How Much Does Your Boss Make? The Effects of Salary Comparisons"

Wednesday, 26.6.2019

Internal Seminar

12.15-13.15

AWI 00.010

Paula von Haaren

"Conditional cash transfers for better maternal and child health? Evidence from India"

Wednesday, 26.6.2019

Macro & Econometrics Seminar/HKMetrics-Seminar

13.30-14.30

AWI 00.028

Anne Opschoor, Amsterdam University

"Closed-Form Multi-Factor Copula Models with Observation-Driven Dynamic Factor Loadings"

Departmental Seminar

Ricardo Perez-Truglia

"How Much Does Your Boss Make? The Effects of Salary Comparisons"*

We study how employees learn about the salaries of their peers and managers and how their beliefs about those salaries affect their own behavior. We conducted a field experiment with a sample of 2,060 employees from a multi-billion dollar corporation. We combine rich data from surveys and administrative records with data from the experiment, which provided some employees with accurate information about the salaries of others. First, we document large misperceptions about salaries and identify some of their sources. Second, we find that perceived peer and manager salaries have a significant causal effect on employee behavior. These effects are different for horizontal and vertical comparisons. While higher perceived peer salary decreases effort, output, and retention, higher perceived manager salary has a positive effect on those same outcomes. We provide suggestive evidence for the underlying mechanisms. We conclude by discussing implications for pay inequality and pay transparency.

* with Zoe Cullen

Internal Seminar

Paula von Haaren

"Conditional cash transfers for better maternal and child health? Evidence from India"*

Indicators of maternal and child health in South Asia lag behind the world average. Conditional cash transfers (CCTs) at the time of pregnancy and lactation are envisaged to have a beneficial effect on maternal and child health via two channels: First, through the fulfilment of conditionalities, incentivizing women to access maternal and child healthcare and adopt healthy behavioral practices. Second, through an income effect which extends access to healthcare and improves nutrition during the critical phase of pregnancy and childbirth. We study the Indian maternal and child health CCT program Indira Gandhi Matritva Sahyog Yojana (IGMSY) and identify the causal effect of the program using a difference-in-difference specification. The program raises the likelihood of adoption of a critical early childhood vaccination and decreases anemia in mothers. The effect on child health is driven by parent-headed households. However, we find no significant effects on other childhood vaccinations, anthropometric outcomes, child mortality and fertility.

*with Stefan Klöner and Sumantra Pal

Macro & Econometrics Seminar/HKMetrics-Seminar

Anne Opschoor

"Closed-Form Multi-Factor Copula Models with Observation-Driven Dynamic Factor Loadings"*

We develop new multi-factor copula models with time-varying dependence structures via factor loadings with observation-driven dynamics. The new models are highly flexible, scalable to high dimensions, and ensure positivity of covariance and correlation matrices. The model retains a closed-form likelihood expression, thus allowing for straightforward parameter estimation and likelihood inference. We apply the new model to a large panel of 100 U.S. stocks over the period 2001-2014. The proposed multi-factor structure appears crucial for parsimoniously describing the dependence dynamics in high-dimensional stock return data, particularly when compared to the typically used single-factor models with dynamic loadings. The new factor models also improve on recently proposed benchmarks in terms of one-step-ahead copula density forecasts and global minimum variance portfolio performance.

*with Andre Lucas, Istvan Barra and Dick van Dijk.

Talks and Research Visits

At the *Experimental Finance 2019* Conference in Copenhagen June 13-15, **Stefan Trautmann** participated and the following papers were presented: **Christoph Becker**: "Experiencing Risk: (Higher-order) Risk Attitudes in Description- and Experience-based Decisions"; **Christian König-Kersting**: "Investing for Others: Principals' vs. Agents' Preferences" and **Yilong Xu**: "Social Information and Selfishness".

Angelika Müller presented her paper "Broken Promises – evaluating an incomplete cash transfer program" at the Annual International Conference of the Research Group on Development Economics (AEL), at DIW and KfW, Berlin, 13-14 June.

Zeno Enders participated in the 50th (!) Konstanz Seminar on Monetary Theory and Policy, Reichenau, June 5-6.

**Editorial deadline for issue 17/2019 of the newsletter:
Wednesday, June 26, 2019, 12 p.m.
newsletter@awi.uni-heidelberg.de**

If you would like to receive the newsletter by email,
please contact the address above.