



Upcoming Seminars

Monday, 04.11.2024

13.30-14.30

AWI room 00.010

Departmental Seminar

Florian Peters, Amsterdam

"Optimal Peers"

(Host: Christian Conrad)

Wednesday, 06.11.2024

12.15-13.15

AWI room 00.010

Internal Seminar

Patrick Maus

"Peer earnings and giving"

Internal Seminar

Patrick Maus

"Peer earnings and giving"

We report a laboratory experiment testing whether peer earnings impact donation decisions. Subjects are randomly assigned the role of decision-maker or peer and the decision-maker observes the peer's earnings before making a real donation decision. Between treatments, we exogenously manipulate peer earnings. We find a significant treatment effect: decision-makers donate substantially less when their peers get assigned high earnings which is consistent with a model of inequality aversion around the peer's earnings. Through additional treatments in which the social nature of the reference earnings is removed, we show that this effect cannot be explained by anchoring or feelings of disappointment. Our results suggest that the treatment effect is mainly due to changes in the donation decisions of men, while we do not find a similar effect for women.

Departmental Seminar

Florian Peters, Amsterdam

"Optimal Peers"

This paper provides a theoretical foundation for constructing optimal benchmarks via machine learning (ML). For a broad class of performance models, the optimal benchmark is given by an appropriately weighted portfolio of peers. I show that Ordinary Least Squares (OLS) provides the theoretically optimal portfolio weights in the population. In finite samples, machine learning methods, notably the lasso, can provide a robust, implementable solution. In an application to a large sample of U.S. public firms, ML-based benchmarks strongly outperform traditional industry benchmarks in out-of-sample explanatory power. This suggests that ML-based benchmarks can substantially improve outcomes in a wide range of applications, such as incentive contracts or relative performance evaluation.

Talks and Research Visits

Sebastian Ebert gave a presentation "Eliciting Stopping Times" at *BI Norwegian Business School*, Oslo, on October 23, 2024.

Jürgen Eichberger attended the *FUR 2024* (Foundations of Utility and Risk) Conference, held from July 3 – 6 at the *University of Queensland* in Brisbane, and gave a talk on "Data, Cases and States". He also presented this paper in an invited seminar at the *Australian National University* (ANU) in Canberra, Australia, on August 8, 2024.

Julian Matthes presented the paper "Don't Put All Your Legs in One Basket: Theory and Evidence on Coopetition in Road Cycling" in the *Reading Online Sports Economics Seminar*, on October 25, 2024.

New Working Paper

David Piazzolo: "The "German Vote" and its consequences: (Un)reliable parties in multilateral bargaining under private information", *AWI Discussion Paper Series* No. 756, October 2024.

Editorial deadline for issue 25/2024 of the newsletter:
Wednesday, 6th, 2024, 12 p.m.
newsletter@awi.uni-heidelberg.de