



Upcoming Seminars

Monday, 09.12.2024

13.30-14.30

AWI room 00.010

Departmental Seminar

Jean-Robert Tyran, Wien

"Sorting Fact from Fiction when Reasoning is Motivated"

(Host: Christoph Vanberg)

Wednesday, 11.12.2024

12.15-13.15

AWI room 00.010

Internal Seminar

Stefan Klöpper

"Paid on time? The timing of welfare benefits and consumption smoothing in village India"

Wednesday, 11.12.2024

13.30-14.30

AWI room 01.030

Macro & Econometrics Seminar

Timo Dimitriadis

"Score Decompositions for Economic Forecasts: Intuition, Estimation, Inference and Applications"

Departmental Seminar

Jean-Robert Tyran, Wien

"Sorting Fact from Fiction when Reasoning is Motivated" *

How is sorting fact from fiction and updating from news shaped by motivated reasoning, cognitive ability, and overconfidence? We present subjects in an online experiment with news items on immigration, inequality, climate change and science that (to the best of our knowledge) are true or false. As predicted by our model, we find that motivated reasoning reduces acknowledging "inconvenient truths" (i.e., news that are counter to one's identity), while cognitive ability promotes it. Motivated reasoning and overconfidence limit updating after fact checking (i.e. subjects receive informative but noisy signals about the veracity of the news), cognitive ability promotes updating. Surprisingly, higher cognitive ability is strongly negatively related to accuracy in news discernment and updating in news on science and (to a lesser degree) on climate change. The reason seems to be that those with higher cognitive ability are more motivated to believe that anti-science and anti-climate change news are false.

* Joint work with Edoardo Cefalà, Melis Kartal, and Sylvia Kritzing

Internal Seminar

Stefan Klöner

"Paid on time? The timing of welfare benefits and consumption smoothing in village India"

The stated objective of the world's largest public works program, India's NREGA, is to provide rural households with a safety net and to reduce their vulnerability to income and expenditure shocks by providing paid employment on demand. We investigate the consequences of delays in NREGA wage payments on households' monthly consumption paths and welfare. We combine administrative data from the workfare program with household consumption and financial balance sheet data for villages in South India over several years. We find that consumption is largely protected from public employment income "shocks" in wealthier villages, with financial market transactions serving as the principal buffer. In the more impoverished settings, however, consumption largely tracks NREGA income payments, implying substantial welfare losses from payment delays.

Macro & Econometrics Seminar

Timo Dimitriadis

"Score Decompositions for Economic Forecasts: Intuition, Estimation, Inference and Applications"

Economic forecasts are regularly assessed by strictly consistent scoring functions such as the squared error for mean- or the tick loss for quantile-forecasts. While scoring functions allow for statistically meaningful rankings of overall forecast quality, they are silent about the specific deficiencies of the forecasts. We propose the use of score decompositions into miscalibration, discrimination and uncertainty terms to gain a deeper understanding of the underlying forecast performance. We provide asymptotic inference methods that allow for hypothesis testing and the construction of confidence intervals. These methods deliver more detailed insights into forecast performances in applications to mean forecasts for inflation rates and volatility forecasts in risk management.

New Publication

Bluhm, Richard; Dreher, Axel; Fuchs, Andreas; Parks, Bradley C.; Strange, Austin and Michael J. Tierney, *Connective Financing: Chinese Infrastructure Projects and the Diffusion of Economic Activity in Developing Countries*, *Journal of Urban Economics*, forthcoming.

Diederich, J., T. Goeschl, I. Waichman (2024): *Trading off autonomy and efficiency in choice architectures: Self-nudging versus social nudging*. *Journal of Economic Behavior and Organization*. Accepted.

New Working Papers

Clément Staner: "Negative Emotion Accumulation and Personal Motivation", *AWI Discussion Paper Series No. 757*, December 2024.

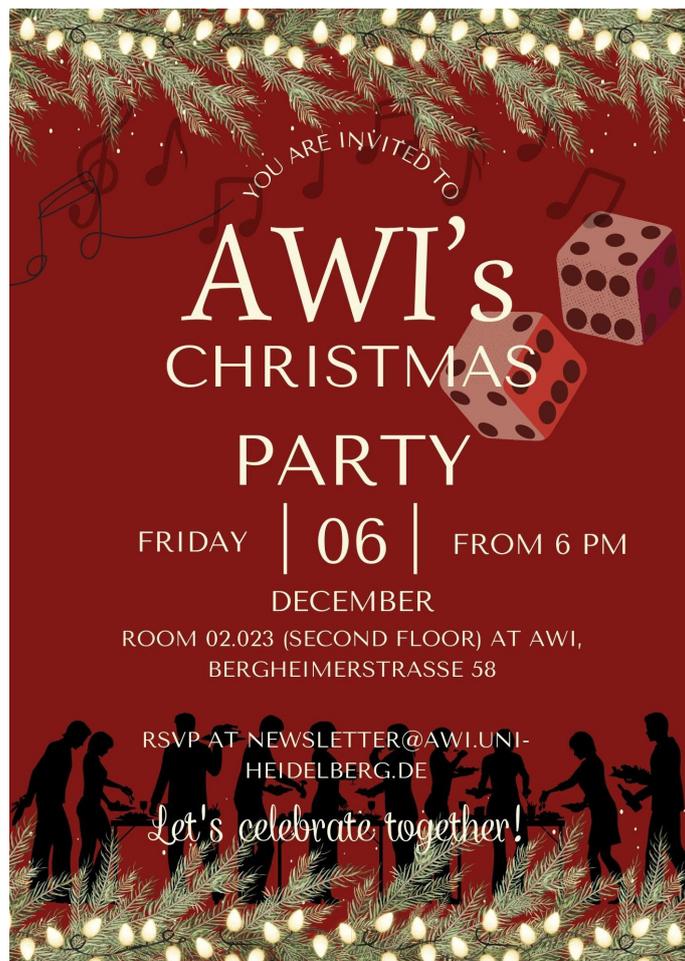
Talks and Research visits

Muhammed Bulutay presented "Consumer beliefs about central bank inflation forecasts" in the External Seminar of the GATE Lyon on 25 November.

Miscellaneous

Axel Dreher was elected as a member of the National Academy of Sciences Leopoldina.

We are looking forward to seeing you at the Christmas Party tomorrow at 6 pm for food, drinks and a good time!



Editorial deadline for issue 30/2024 of the newsletter:
Wednesday, 11th, 2024, 12 p.m.
newsletter@awi.uni-heidelberg.de