



Upcoming Seminars

Wednesday, 26.01.2022 Internal Seminar

12.15-13.15
Virtual Room

Leon Houf
"When to get that extra paycheck? - Evaluation of a de-nudge policy"

Abstracts

Internal Seminar

Leon Houf

"When to get that extra paycheck? - Evaluation of a de-nudge policy"

Choice architecture has been a prominent theme in the recent literature. Special interest has been paid to nudging, i.e. when the choice architect has preferences over the available choices. We study a situation where an existing nudge is revoked. We exploit a natural experiment in the Netherlands where civil servants through a new policy can decide when and how to get their 13th and 14th salary parts within a year. For different governmental layers, the policy is introduced at different points in time with different defaults on the same initial choice set. We make use of administrative panel data on more than 21 million monthly paychecks. We first show that default stickiness depends on the default and how long the default is in effect. Default stickiness differs up to 15% depending on the default. Second, we show that for new civil servants with no experience with the old system the default stickiness differs an additional 13%. Third, the policy has no effects on household savings and labor supply.

Talks and Research Visits

Stefan Trautmann discussed the paper "The Motivated Beliefs of Financial Decision-Making under Limited Liability" by Ciril Bosch-Rosa, as part of the session on decision making under agency, at the American Economic Association annual meeting, January 9.

Pascal Kieren presented the paper "Can Agents Add and Subtract When Forming Beliefs? Evidence from the Lab and Field", at the General Meeting of the American Finance Association 2022, online, January 7.

Zeno Enders presented the paper "How economic expectations react to news: Evidence from German firms" at the University of Leipzig, online, December 15.

New Publications

Timo Dimitriadis and Yannik Hoga: "On Testing Equal Conditional Predictive Ability Under Measurement Error", has been accepted at the *Journal of Business & Economic Statistics* (2022+) (find [here](#))

Axel Dreher, Christian Bommer and Marcello Perez-Alvarez, Home Bias in Humanitarian Aid: The Role of Regional Favoritism in the Allocation of International Disaster Relief, *Journal of Public Economics*, forthcoming.

Axel Dreher, Valentin Lang, B. Peter Rosendorff, and James Raymond Vreeland, Bilateral or Multilateral? International Financial Flows and the Dirty-Work Hypothesis, *Journal of Politics*, forthcoming.

New Working Papers

David Piazzolo and Christoph Vanberg: "Legislative bargaining with private information: A comparison of majority and unanimity rule", AWI Discussion Paper Series, No. 708, December 2021.

New and Leaving Staff

Pascal Kieren (room 1.016) joined the AWI as a PostDoc to work at the Chair of Stefan Trautmann. He received his PhD from the University of Mannheim under the supervision of Martin Weber. His research interests are within the field of behavioral and experimental economics, where he primarily studies individual decision-making and its implications for financial markets. His current work focuses on understanding investors' expectations as well as how such expectations aggregate on a market level.



Fritz Grunebaum Awards

Onno Kleen (now at Erasmus University Rotterdam, see [here](#)) has been awarded the Fritz-Grunebaum-Award 2021 for the outstanding doctoral thesis in the field of economics or commercial law. Information about the award and about the ceremony that took place on December 17 can be found [here](#). During this year's ceremony, the Fritz-Grunebaum-Award has also been awarded to Christian König-Kersting (now at University of Innsbruck, see [here](#)), for the outstanding thesis in the year 2020, because last year's ceremony could not take place in person. Both recipients joined the ceremony in Heidelberg to accept their awards in person.



Foto: Christoph Bastert

Editorial deadline for issue 2/2022 of the newsletter:
Wednesday, 27.1.2022, 12 p.m.
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