

Session Information submitted to KAEA on
KAEA-AEA Micro-Session at the 2019 ASSA Meetings

Yoosoon Chang, 10 April 2018

- Session title: Topics in Empirical Industrial Organization: A Structural Approach
- JEL codes: D15, L0, L11, L15
- Date/time: 5 January 2019 / 10:15am-12:15pm
- Venue: International 2, Atlanta Marriott Marquis
- KWEN Mentee (Discussant) - Presenter (Mentor) Pairs
 1. KWEN Mentee: Ami Ko (Georgetown University)
Mentor Presenter: Eric French (University College London)
 2. KWEN Mentee: Jihye Jeon (Boston University)
Mentor Presenter: Alessandro Gavazza (London School of Economics)
 3. KWEN Mentee: Myongjin Kim (University of Oklahoma)
Mentor Presenter: Andrew Sweeting (University of Maryland)
 4. KWEN Mentee: Boyoung Seo (Indiana University)
Mentor Presenter: Katja Seim (University of Pennsylvania)

➤ The requested information for each paper in the following categories is provided together below.

- Manuscript title, abstract, summary, author information (names, affiliations, email addresses), discussant and session chair information (names, affiliations, email addresses)

1. Presenter: Eric French, University College London, CEPR and IFS;
email: eric.french@gmail.com
Title of paper: “Couples' and Singles' Savings After Retirement,” with Mariacristina De Nardi (Federal Reserve Bank of Chicago, IFS, CEPR and NBER; email: denardim@nber.org), John Bailey Jones (Federal Reserve Bank of Richmond; email: jbjones.albany@gmail.com), and Rory McGee (UCL and IFS; email: rory.mcgee.13@ucl.ac.uk)
Abstract: Not only retired couples hold more assets than singles, but high-income couples grow their savings during most of their retirement period. Why are they saving so much? Do they expect high medical expenses, do they deeply care about the welfare of their surviving spouse upon death, or do they want to leave bequests to others? What happens to savings when one of the members of the couple dies and why? We build a model of retired couples and singles facing uncertain longevity and medical expenses in which couples and singles can have different bequest motives. Both might care about heirs, but couples might also care about their surviving spouse. We use the AHEAD data and the method of simulated moments to estimate our model and disentangle the importance of saving motives of couples and singles. We also evaluate the effects of a Medicaid expansion on the savings and bequests of couples and singles.
Summary: We estimate how asset patterns evolve with age for singles and couples, and evaluate key explanations for these patterns.
Discussant: Ami Ko, Georgetown University; email: ami.ko@georgetown.edu
2. Presenter: Alessandro Gavazza, London School of Economics and CEPR;

- email: a.gavazza@lse.ac.uk
- Title of paper: “Mortgage Pricing and Monetary Policy,” with Manolis Galenianos (Royal Holloway, University of London; email: manolis.galenianos@gmail.com);
- Abstract:
- Summary: The paper quantitatively studies regulatory interventions in consumer search markets by building a novel search model and calibrating it to match US credit card market data.
- Discussant: Jihye Jeon, Boston University; email: jjeon@bu.edu
3. Presenter: Andrew Sweeting, University of Maryland and NBER; email: atsweet@umd.edu
- Title of paper: “Endogenous and Selective Service Choices After Airline Mergers,” with Sophia Li (Uber; email ying.sophia@gmail.com), Joe Mazur (Purdue University; email: ljmazur@gmail.com), Yongjoon Park (University of Maryland; email: parky@econ.umd.edu), Jun Zhang (University of Maryland; email: zjun@umd.edu), and James Roberts (Duke University and NBER; email: j.roberts@duke.edu)
- Abstract: We estimate a model of service choice and price competition in airline markets, allowing for the carriers that provide nonstop service to be a selected subset of the carriers competing in the market. Our model can be estimated without an excessive computational burden and we use the estimated model to illustrate the effects of selection on equilibrium market structure and to show how accounting for selection can change predictions about post-merger market power and repositioning, in ways that are consistent with what has been observed after actual mergers, and possible merger remedies.
- Summary: We estimate an empirical model of service (nonstop, connecting) choices on airline route markets, and show how accounting for selection in carriers' choices before a merger affects a researcher's predictions about how rivals' service choices may change after a merger.
- Discussant: Myongjin Kim, University of Oklahoma; email: mjkim@ou.edu
4. Presenter: Katja Seim, University of Pennsylvania and NBER; email: kseim@wharton.upenn.edu
- Title of paper: “Arbitrage Costs and the Profitability of Third-Degree Price Discrimination,” with Eugenio Miravete (University of Texas at Austin; email: miravete@eco.utexas.edu), and Jeff Thurk (University of Notre Dame; email: jthurk@nd.edu)
- Abstract: This paper presents a first estimation of the magnitude of arbitrage costs limiting geographical price discrimination. Using spirit sales data across all liquor stores in Pennsylvania, we take advantage of the extreme alcohol price regulation enforced by the Pennsylvania Liquor Control Board (PLCB) to estimate a model of demand for differentiated products that incorporates wholesalers' optimal price responses to any change in the PLCB's pricing strategy. Counterfactual analysis allows us to evaluate the profitability of alternative zone pricing strategies for multiple realistic configurations of local markets. By comparing foregone profits across these market configurations we obtain a lower bound estimate of arbitrage costs that we can relate to average distance across stores and other socioeconomic characteristics of markets.
- Summary: This paper evaluates the profitability of alternative geographic zone pricing regions to assess the magnitude of arbitrage costs associated with limiting spatial price discrimination.
- Discussant: Boyoung Seo, Indiana University; email: seob@indiana.edu

- Chair information: Yoosoon Chang, Indiana University; email: yoosoon@indiana.edu