



IAAEU

Institut für Arbeitsrecht
und Arbeitsbeziehungen
in der Europäischen Union

Universität Trier

7. ÖKONOMISCHER WORKSHOP 20./21. FEBRUAR 2015, IAAEU TRIER

Programmübersicht

Freitag, 20. Februar 2015

09:00 – 09:15

Begrüßung

09:15 – 12:45

Vorträge

12:45 – 14:00

Mittagspause

14:00 – 17:30

Vorträge

17:45 – 19:00

Keynote Lecture

Hilmar Schneider

(Luxembourg Institute of Socio-Economic Research)

20:00

Conference Dinner

Samstag, 21. Februar 2015

09:30 – 13:00

Vorträge

13:00 Verabschiedung und Imbiss

Alle Vorträge finden im Gebäude H der Universität Trier
(Campus II) in den Räumen H714 und H730 statt.



7. ÖKONOMISCHER WORKSHOP 20./21. FEBRUAR 2015, IAAEU TRIER

Programm

Freitag, 20. Februar 2015

09:00 – 09:15
Begrüßung (H714)

09:15 – 10:45
Session 1: Preferences and Personality Traits (H714)
Chair: Tim Friehe
Clemens Hetschko: „The Impact of Major Life Events on Risk Preference“

Tim Friehe: „Shadows of the Past: Personality and Political Regime Change in Germany“

10:45 – 11:15
Kaffeepause

11:15 – 12:45
Session 2a: Financial Economics (H714)
Chair: Lars Hornuf
Mark Bärthel: „Relevant Disclosures and Information Presentation on Crowdfunding Platforms: The Decision Making Process of Unexperienced Private Investors“

Lars Hornuf: „Investment Behavior in Crowdfunding“

Session 2b: Behavioral Economics (H730)
Chair: Adrian Chadi
Mario Mechtel: „The Causal Effect of Labor Market Uncertainty and Insecurity on Body Weight“

Adrian Chadi: „Interview Burden and the Measurement of Subjective Well-being“

12:45 – 14:00
Mittagspause



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14:00 – 15:30

Session 3a: Labor Economics (H714)

Chair: Marco de Pinto

Metin Akyol: „A Tradable Employment Quota“

Marco de Pinto: „Union Formation, Firm Selection and Aggregate Industry Productivity“

Session 3b: Personnel and Managerial Economics (H730)

Chair: Olga Lorenz

Noreen Geenen: „Do They Really Just Wanna Play?! Biobehavioral Drivers of Entrepreneurial Intent“

Olga Lorenz: „Commuting and Sickness Absence“

15:30 – 16:00

Kaffeepause

16:00 – 17:30

Session 4: Political Economy (H714)

Chair: Edith Neuenkirch

Christoph Sajons: „Does Candidate Information on the Ballot Increase Voter Satisfaction? Evidence From a Field Experiment in Germany“

Edith Neuenkirch: „The Influence of Media Use on Monetary Policy Knowledge“

17:30 – 17:45

Kaffeepause

17:45 – 19:00

Keynote Lecture (H714)

Hilmar Schneider: „Zu den Ursachen der sozialpolitischen Irrelevanz der Wirtschafts- und Sozialforschung“

20:00

Conference Dinner

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09:30 – 11:00

Session 5: Personnel Economics (H714)

Chair: Agnes Bäker

Daniel Dietz: „You Retain Whom You Train. Analyzing the Effect of Training on Employee Retention”

Agnes Bäker: „Light my Fire! Effects of Observed Free Riding on Effort Choice in Big Teams”

11:00 – 11:30 Kaffeepause

11:30 – 13:00

Session 6: Monetary and Financial Economics (H714)

Chair: Matthias Neuenkirch

Matthias Schmitt: „Does Geographic Proximity Matter in Crowdfunding?”

Matthias Neuenkirch: „The (Home) Bias of European Central Bankers: New Evidence Based on Speeches”

13:00 Verabschiedung und Imbiss



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Organisatorisches

Get Together am Donnerstagabend

Am Donnerstagabend findet ab 19:30 ein informelles Get Together im Wirtshaus am Kornmarkt statt.

Mittagessen und Conference Dinner

Das Mittagessen am Freitag findet in der Mensa Petrisberg statt, Gutscheine werden an alle Teilnehmer ausgegeben. Das Conference Dinner ist am Freitagabend in der Weinstube Kesselstatt (Liebfrauenstr. 10). Die Weinstube ist 500 Meter fußläufig von der Porta Nigra entfernt. Am Samstagmittag gibt es nach den Vorträgen einen Imbiss.

Unterbringung

Hotel Römischer Kaiser	SCHROEDERS Appartementhotel
Porta-Nigra-Platz 6	Rudi-Schillings-Straße 35
54292 Trier	54296 Trier
Tel. 0651 / 9770100	Tel. 0651 / 840840
www.friedrich-hotels.de	www.schroeders-hotels.de

Anreise

Die Vorträge finden am Campus II der Universität Trier im Gebäude H statt (Behringstr.). Folgende Busverbindungen empfehlen sich:

Vom Hotel Römischer Kaiser:

- Bus 4 Richtung Irsch Hockweiler Str. (Abfahrt Hbf. Bstg. 4 oder Porta Nigra Bstg. 1) bis Universität Campus II, Fahrzeit ab Porta Nigra: 20 Min.
- Bus 13 Richtung Tarforst Universität Mensa (Abfahrt Hbf. Bstg. 5 oder Porta Nigra Bstg. 2) bis Kürenz Kohlenstraße. Von Kohlenstr. (Bstg. 2) Bus 4 Richtung Porta Nigra bis Universität Campus II, Fahrzeit ab Porta Nigra: 19 Min.
- Fahrkartenverkauf im Bus. Es empfiehlt sich ein 4-Fahrten-Ticket (Preisstufe 2), das im Vergleich zu vier Einzelfahrscheinen 25 Prozent günstiger ist. Einzelfahrten im Bus gibt es vergünstigt mit Bahncard.

Von SCHROEDERS Appartementhotel:

- Fußweg, ca. 7 Min.

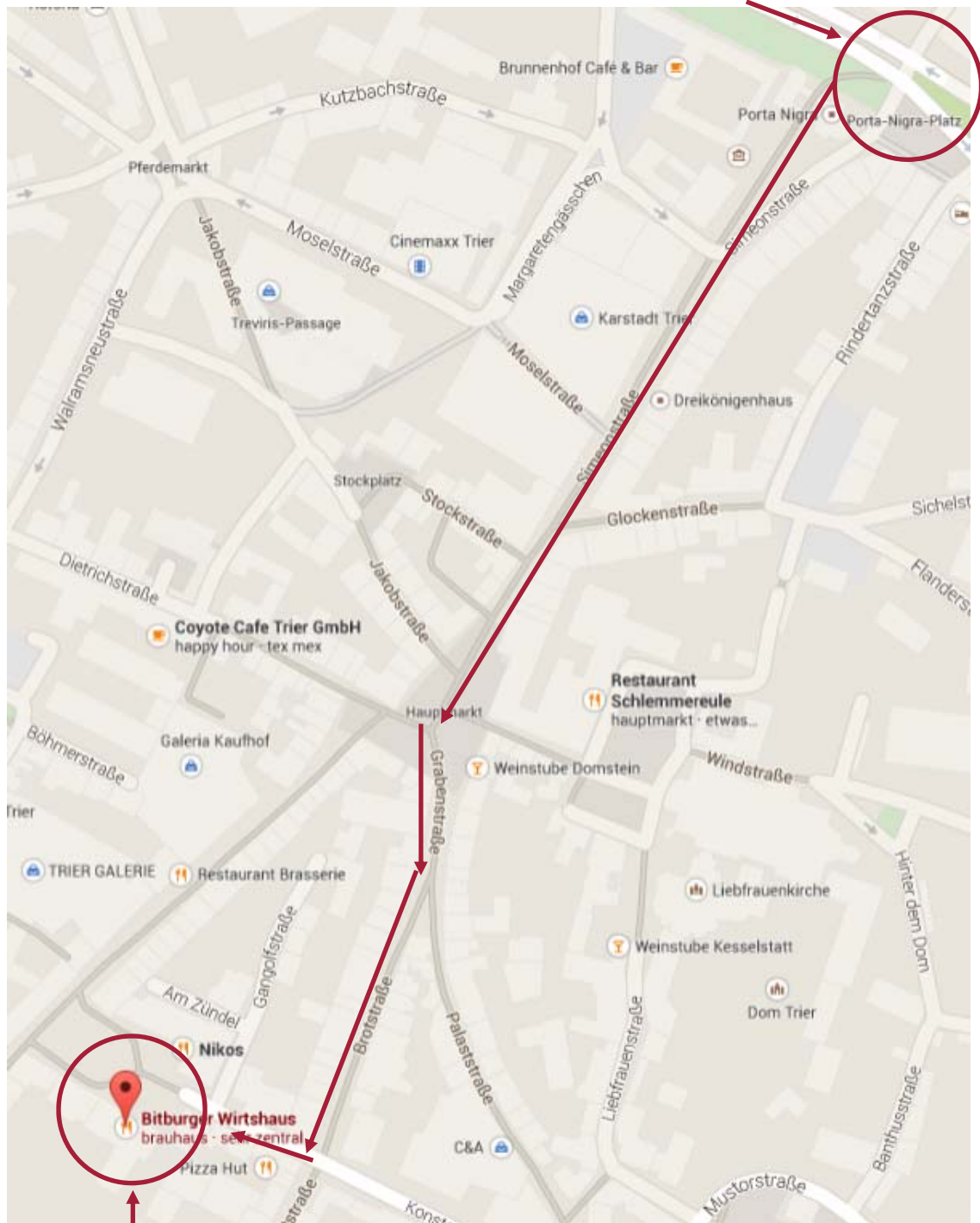
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7. ÖKONOMISCHER WORKSHOP 20/21. FEBRUAR 2015, IAAEU TRIER

Überblicksplan: Hotel Römischer Kaiser und Wirtshaus am Kornmarkt (Get Together)

Hotel Römischer Kaiser



Get Together

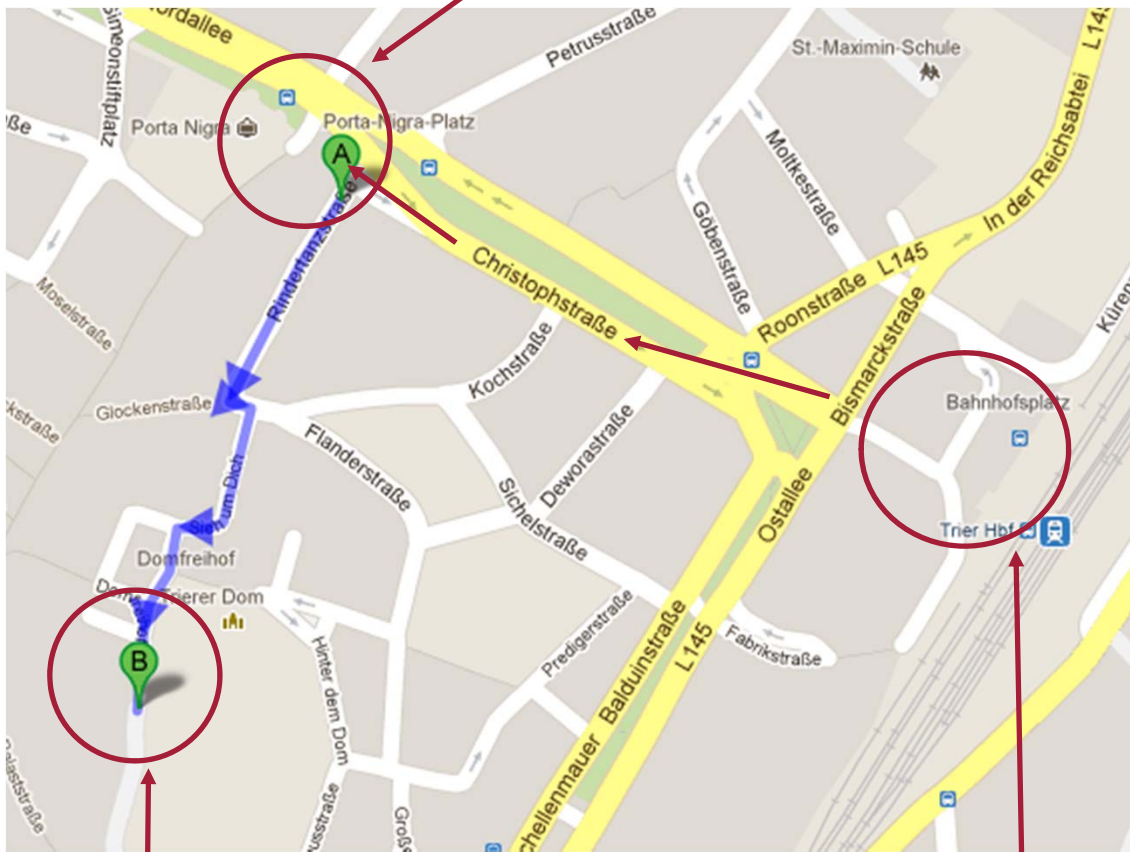


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Überblicksplan: Hauptbahnhof, Hotel Römischer Kaiser, Weinstube Kesselstatt (Conference Dinner)

**Hotel Römischer
Kaiser u. Bushalte-
stelle Porta Nigra**



Conference Dinner

**Hbf, Bushaltestellen
auf Bahnhofsplatz**

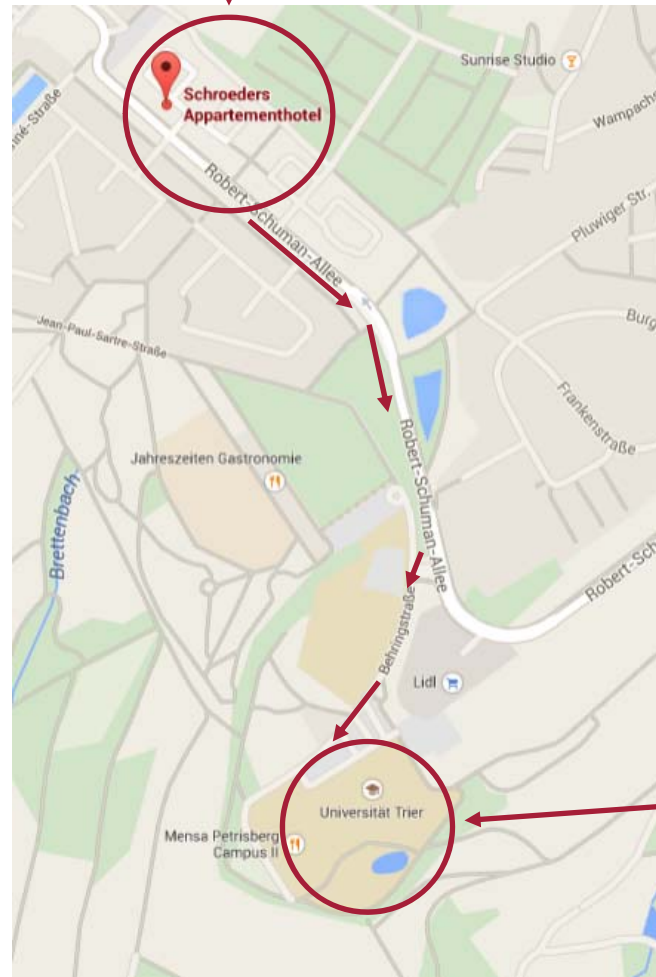
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Überblicksplan: SCHROEDERS Appartementhotel

**SCHROEDERS
Appartementhotel**



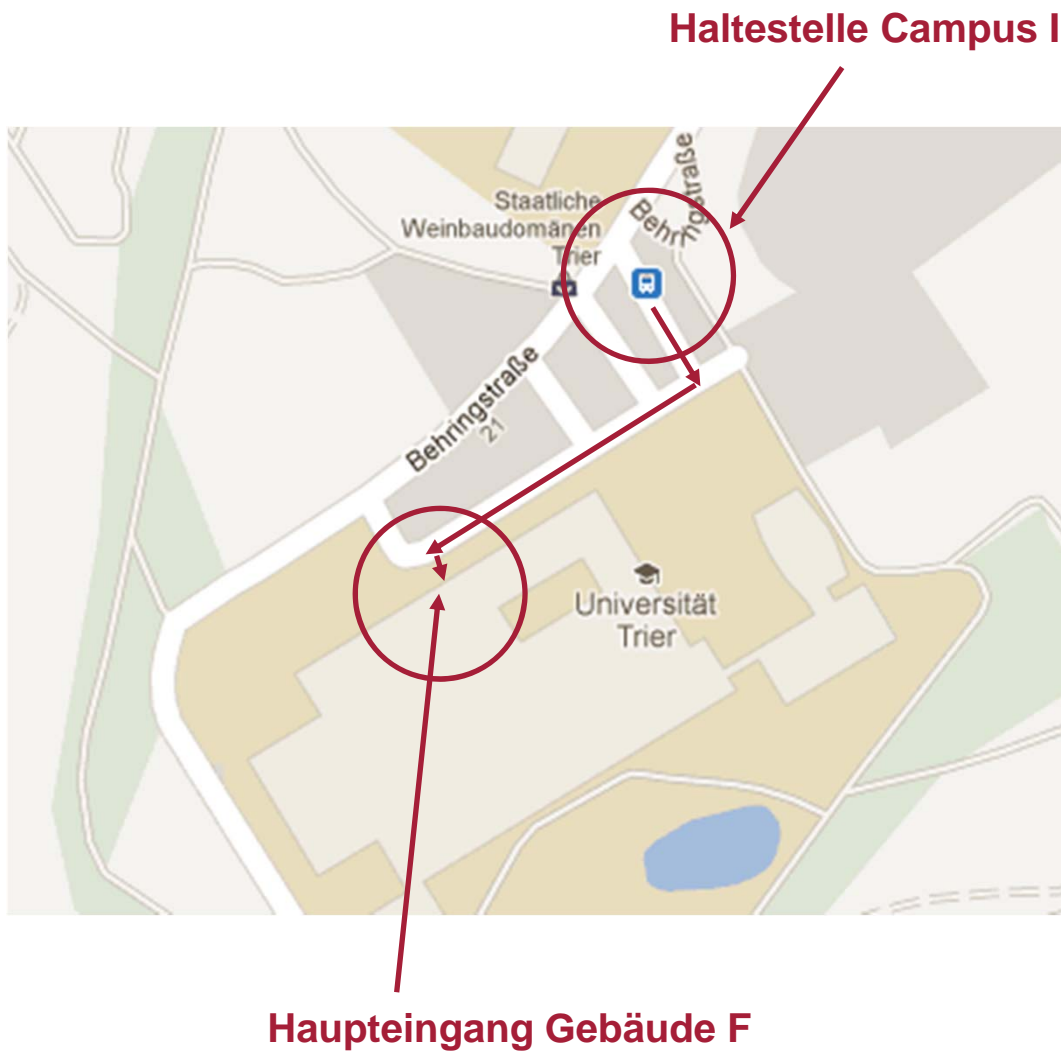
Universität Campus II



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Überblicksplan: Campus II



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Weg zum IAAEU



**Drehtür Haupteingang
Gebäude F**



**Im Eingangsbereich links
am Lageplan vorbei gehen**



**Die Treppe neben dem
Bibliothekseingang führt
ins erste Obergeschoss...**



**...dort bitte rechts halten
und den Flur entlang
gehen**

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Der Flur führt durch
mehrere Glastüren...



...zu diesen zwei Aufzügen

Achtung: diese Aufzüge
sind Mo-Fr ab ca. 16 Uhr
außer Betrieb.



Das IAAEU befindet sich
im 7. Stock



Der Haupteingang ist
während des Workshops
durchgehend geöffnet

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Abstracts

Freitag, 20. Februar 2015

**09:15 – 10:45 Session 1: Preferences and Personality Traits (H714),
Chair: Tim Friehe**

Clemens Hetschko, Malte Preuß

The Impact of Major Life Events on Risk Preference

Risk preferences have considerable implications for decisions, e.g. investments, occupational choice, unemployment duration or migration. A crucial assumption in theoretical and empirical analyses of such decisions is the stability of risk preferences. Using German panel data and plant closure as an exogenous unemployment shock, we argue that major life events can actually affect individual risk preferences. Those who experience involuntary unemployment and quick reemployment, report a significant rise in their risk aversion. This result emphasizes the threat of reverse causality when analyzing the relationship of labour market prospects and risk preferences.

Tim Friehe, Markus Pannenberg

Shadows of the Past: Personality and Political Regime Change in Germany

This paper investigates the influence of political regimes on personality, using the separation of Germany into the socialist GDR and the democratic FRG and its reunification in 1990 as a natural experiment. We consider the Big 5 personality traits, the locus of control, and reciprocity. Relying on survey data that are representative for Germany (German Socio-Economic Panel), our empirical results indicate that the former political regime in East Germany left footprints regarding important attributes of personality (particularly neuroticism, conscientiousness, openness, and the locus of control). The significant differences in personality imply that former citizens of the GDR have economic prospects very different from former FRG citizens and help to understand behavioral differences established before. Robustness checks indicate that our results are not mere regional differences.



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**11:15 – 12:45 Session 2a: Financial Economics (H714),
Chair: Lars Hornuf**

Mark Bärthel, Lars Hornuf

**Relevant Disclosures and Information Presentation on Crowdfunding
Platforms: The Decision Making Process of Unexperienced Private
Investors**

Crowdfunding platforms generally design their contracts to avoid registration and prospectus requirements to avoid costs associated with disclosure regulation. The information startup companies have to reveal to investors, when getting listed on a platform, is not standardized, and regulated only by the self-imposed rules of the platform. We analyze several clusters of soft information signaling ability and experience of the founders, external acceptance and appreciation of the business idea, prudence of financial planning and the quality of the product or service. In our analysis we also incorporate the presentation format and an extensive media analysis of the pitch videos. Our results provide evidence on the signaling quality of certain information and presentation formats. Furthermore, we contribute to the discussion about the differences between professional and unexperienced amateur investors, by highlighting differences in the information processing between the two groups when making investment decisions. Our aim is to suggest useful policy recommendations for regulations regarding disclosure requirements and standards for presentation. We believe that disclosure requirements have to be customized to address the problems arising from the distinct nature of crowdfunding and the different experience levels of potential investors.

Lars Hornuf

Investment Behavior in Crowdfunding

We use hand-collected data from four German crowdfunding portals to analyze what determines individual investment decisions in crowdfunding. In contrast with the crowdfunding campaigns on Kickstarter, where the typical pattern of project support is U-shaped, we find crowdfunding dynamics to be L-shaped. The evidence shows that backers base their investment decisions on information provided by the crowdfunding portals as well as the behavior and comments of other investors. Furthermore, there is weak evidence for a payday or end-of-the-month investment effect. These findings offer support for adequate information disclosure requirements that are consistent with ongoing regulatory reforms such as the JOBS Act in the United States, but that behavioral components also affect investment decisions of the crowd.

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11:15 – 12:45 Session 2b: Behavioral Economics (H730), Chair: Adrian Chadi

Florian Baumann, *Mario Mechtel*:

The Causal Effect of Labor Market Uncertainty and Insecurity on Body Weight

Overweight and obesity are widespread and have become important topics in policy debates throughout developed countries in the last years. Recent psychological and medical studies argue that a higher level of stress harms individual health and is a reason for gaining weight. This paper exploits a natural experiment and tests the effects of an exogenous increase in individual labor market uncertainty (which has been shown to cause stress) on body weight using data representative of Germany. Our differences-in-differences approach shows that labor market uncertainty and insecurity have a positive causal effect on individual body mass index (BMI). The increase of BMI due to stress is not only statistically, but also economically significant, as it accounts to one seventh of the overall increase of average BMI in Germany since 1980. Furthermore, there is a positive treatment effect on the probability of being overweight (BMI>25). A number of recent policy interventions in many countries aim at labor market flexibilization. Among other things, more flexible labor markets are intended to induce stronger individual incentives for individuals. Our analysis thus provides evidence of potential negative side effects of an increase in labor market flexibility and insecurity.

Adrian Chadi

Interview Burden and the Measurement of Subjective Well-being

This study explores whether the experience of an interview as a burden can directly affect the measurement of people's subjective well-being. The idea is that a feeling of being annoyed and exhausted from a lengthy interview may lead to an unpleasant situation in which the respondent's aversion towards the survey itself provokes a negativity bias and thus a measurement error. To experimentally vary interview burden, the actual amount of questions in a large household survey, the German Socio-Economic Panel Study (SOEP), is used as an instrument for interview length. The number of questions for one person in one survey year depends on many different factors in the individual's life, many of which are irrelevant for life satisfaction, and is exogenously determined by the questionnaire design. The results from such an instrumental variable approach reveal that longer interviews affect self-reported happiness negatively. This finding of a measurement bias is important for interpreting results based on existing survey data and is of central relevance for the design of future surveys.



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**14:00 – 15:30 Session 3a: Labor Economics (H714),
Chair: Marco de Pinto**

Metin Akyol, Michael Neugart, Stefan Pichler
A Tradable Employment Quota

Discrimination of women in the labor market requires appropriate policy interventions. Affirmative action policies typically advocate the introduction of an employment quota uniformly applied to all firms. In a heterogeneous labor market such a policy may yield avoidable welfare losses. We propose a tradable employment quota showing its effects on wages, employment, and welfare in a labor market with search frictions and taste discrimination. A tradable employment quota appears to be a viable alternative yielding superior labor market outcomes.

Christian Bauer, Marco de Pinto, Jörg Lingers
Union Formation, Firm Selection and Aggregate Industry Productivity

This paper develops a model with heterogeneous firms and labor unions to analyze the bidirectional relationship between unionization and industry productivity. The model shows how general wage setting reforms, measured by the costs of organizing workers, may have a non-monotonic impact on aggregate industry productivity by affecting more productive firms more than less productive firms and simultaneously benefiting non-unionized firms. The paper also shows how reallocations caused by international trade impact unionization rates, thus highlighting an effect of trade on industry productivity not studied in the existing literature. The endogenous adjustment in wage setting reinforces firm selection, in addition to the direct effects.

**14:00 – 15:30 Session 3b: Personnel and Managerial Economics
(H730), Chair: Olga Lorenz**

*Diemo Urbig, Noreen Geenen, Katrin Muehlfeld, Arjen van Witteloostuijn,
Vasiliki Gargalianou*
**Do They Really Just Wanna Play?! Biobehavioral Drivers of
Entrepreneurial Intent**

Individual entrepreneurial intent is a key driver of entrepreneurial action. We analyzed differences in the sensitivity of two fundamental neurophysiological motivational systems—the Behavioral Approach System (BAS), the ‘driving force’ of human behavior—and the Behavioral Inhibition System (BIS), its ‘braking system’—on entrepreneurial intent.

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Study 1 (N = 320 students) shows strong positive effects of BAS Fun Seeking on entrepreneurial intent which imply rejoicing in the activity itself (perseverance, experimentation, and acting on the spur of the moment). In turn, BAS Reward Responsiveness, i.e. the meaning that individuals attach to the reward itself, is negatively related with entrepreneurial intent. We do not find any significant effect of BIS on entrepreneurial intent. Study 2 (N = 480) replicates these results and extends study 1 by including entrepreneurial experience as a second dependent variable. In study 2, increased BAS Drive (persistent pursuit of desired goals) and decreased BAS Reward Responsiveness predict greater entrepreneurial experience. Further, entrepreneurial experience is strongly related with entrepreneurial intention. Overall, our results suggest that it is the pleasure of engaging in entrepreneurial activities rather than the prospect of earning some (financial or other) reward that underlies entrepreneurial intentions.

Laszlo Goerke, *Olga Lorenz*

Commuting and Sickness Absence

In this paper, we focus on the causal effect of commuting on sickness absence from work using German panel data. According to theory, the effect of commuting on the number of workers' absence days may be positive or negative. Empirical tests of this effect are not standard, due to reverse causation and lack of good control variables. To address reverse causation, estimates of commuting on absenteeism are derived using changes in commuting distance for workers who stay at the same workplace and who have the same residence during the period of observation. Keeping the workers' employer and residence constant allows us to address endogeneity of commuting distance. Our results show that employees, who commute long distances (more than 50 kilometres), are absent more often than comparable employees with shorter commutes.

**16:00 – 17:30 Session 4: Political Economy (H714),
Chair: Edith Neuenkirch**

Christoph Sajons

Does Candidate Information on the Ballot Increase Voter Satisfaction? Evidence From a Field Experiment in Germany

This study examines whether including different kinds of information about the candidates on the ballot affects voter satisfaction in elections where most candidates are unknown. I conduct a large experimental survey of voters at the local elections in two German states in 2014, in which ballots with varying amounts of information about hypothetical candidates are randomly assigned to the respondents.



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The main results are: (1) More information on the ballot increases voter satisfaction. (2) The effect of an additional information cue is decreasing. (3) Profession information is particularly useful for voters. (4) Women and left-leaning voters react stronger than men and right-leaning voters.

Bernd Hayo, *Edith Neuenkirch*

The Influence of Media Use on Monetary Policy Knowledge

In this paper, we analyse the German citizens' knowledge about the functioning of monetary policy in general and the European Central Bank (ECB) itself, as well as the German public's use of mass communication media to obtain information about the ECB. We rely on a unique representative public opinion survey of German households conducted in 2011. We find that a person's desire to be informed about the ECB along with the use of different media channels to keep informed are decisive for (i.) the own perception of knowledge about the ECB and (ii.) the actual level of knowledge. The media-related influence differs with a person's level of education and it is stronger for subjective knowledge. Women are found to be clearly less interested and knowledgeable. We conclude that the ECB is well advised to continue its education programs to convince the public of the importance of laymen's monetary policy knowledge.

Samstag, 21. Februar 2015

09:30 – 11:00 Session 5: Personnel Economics (H714),

Chair: Agnes Bäker

Daniel Dietz, Thomas Zwick

You Retain Whom You Train. Analyzing the Effect of Training on Employee Retention

This paper analyses the effect of training participation on employees' retention in the training company. In contrast to previous studies, we therefore additionally consider individual wage increases that exceed company-wide wage increases in the peer group. Based on a German linked-employer-employee data-set (WeLL-ADIAB), we show that training increases employees' retention in the current company. However, if training participants are able to credibly signal the training contents to potential employers by means of training certificates, the retention effect of training declines. This is particularly the case for training certificates from external institutions.

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Agnes Bäker, Alexandra Zaby

Light my Fire! Effects of Observed Free Riding on Effort Choice in Big Teams

Observed free riding of teammates can have countervailing effects on own effort choice: in order to compensate the missing effort of others, own effort could increase or, copying teammates' behavior, own effort could decrease. We find that the dominance of either effect depends on the observed level of teammates' free riding. A simple theoretical model accounts for both, a U-shaped or an inverted U-shaped relation, between observed free riding and own effort. Empirically, using field and experimental data we find a U-shaped relation: given a low initial level of observed teammates' free riding, increasing free riding of teammates increases individual effort choice whereas given a high initial level of observed teammates' free riding, increasing free riding of teammates decreases own effort choice. Thus, if free riding in a team is high, the observation of teammates increasing their effort can spur individual effort by inducing peer pressure while given free riding is low this effect is reversed.

11:30 – 13:00 Session 6: Monetary and Financial Economics (H714), Chair: Matthias Neuenkirch

Lars Hornuf, Matthias Schmitt

Does Geographic Proximity Matter in Crowdfunding?

Does geographic proximity matter for investment decisions? Several empirical findings show that proximity matter and investors focus on regional close stocks or other financial instruments. The question arises whether Internet portals, which collect money from the crowd, enable more distant investments to overcome the local bias. Following Coval and Moskowitz (1999) and Cumming and Dai (2010), we measure the local bias in crowdfunding according to the investors' portfolio and the available investment opportunities. First findings disclose that crowdfunding is able to overcome the geographic barriers. About 75% of the investors live more than 100 km away and invest 75% of total funds.



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Hamza Bennani, *Matthias Neuenkirch*

The (Home) Bias of European Central Bankers: New Evidence Based on Speeches

Speeches are an important vehicle for central bankers to convey individual views on the preferred policy stance. In this paper, we create an indicator measuring the tone of the 1,618 speeches delivered by members of the Governing Council (GC) during the period 1999M1-2014M4 with the help of an automated text linguistic approach. Next, we relate this variable to euro area and national macroeconomic forecasts. Our key findings are as follows. First, inflation and growth expectations have a positive and significant impact on the degree of hawkishness expressed in a speech. Second, the voiced preferences of national central bank presidents largely coincide with the independence level their central banks had at the time of the Maastricht Treaty. Third, country-specific macroeconomic conditions matter for speeches delivered inside the central banker's home country but not for those made abroad. Fourth, differences in the preferences across central bankers are the key source of variation before the financial crisis, whereas divergent national economic conditions are the main factor in the second part of the sample.

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Teilnehmer

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Daniel Arnold	IAAEU Trier
Agnes Baeker	Universität Tübingen
Mark Bärthel	LMU München
Adrian Chadi	IAAEU Trier
Daniel Dietz	Universität Würzburg
Tim Friehe	Universität Bonn
Noreen Geenen	Universität Trier
Laszlo Goerke	IAAEU Trier
Clemens Hetschko	FU Berlin
Lars Hornuf	IAAEU Trier
Sabrina Jeworrek	IAAEU Trier
Olga Lorenz	IAAEU Trier
Mario Mechtel	IAAEU Trier
Vanessa Mertins	IAAEU Trier
Edith Neuenkirch	Universität Marburg
Matthias Neuenkirch	Universität Trier
Marco de Pinto	IAAEU Trier
Christoph Sajons	Universität Freiburg
Matthias Schmitt	LMU München
Hilmar Schneider	Luxembourg Institute of Socio-Economic Research