JUSTIN DOWNS

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EDUCATION

Ph.D., Economics, University of Washington	2020 expected
M.A., Economics, University of Washington	2016
M.A., Economics, University of Missouri	2014
B.A., Interdisciplinary Studies, University of Missouri	2012

RESEARCH AND TEACHING FIELDS

Microeconomic Theory, Contract Theory, Behavioral Economics, Game Theory

REFERENCES

Professor Fahad Khalil
Chair; Castor Professor of Economics
Department of Economics
University of Washington
khalil@uw.edu, +1 (206) 543-5836

Professor Jacques Lawarrée
Castor Professor of Economics
Department of Economics
University of Washington
lawarree@uw.edu, +1 (206) 543-5632

Xu Tan
Assistant Professor
Department of Economics
University of Washington
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Chris Anderson
Adjunct Associate Professor
Department of Economics
University of Washington
cmand@uw.edu, +1 (206) 543-1101

Placement Assistant: Simon Reeves-Parker (simonrp@uw.edu, +1 (206) 685-1384)

JOB MARKET PAPER

"Overconfidence, Competition, and Market Efficiency"

Abstract: In a labor market with moral hazard, adverse selection, and overconfident workers, I compare the equilibrium contracts and efficiency of perfectly competitive markets and monopsonistic markets. Screening workers according to their productivity (type) requires both competitive firms and a monopsonist to distort the contract offered to less productive workers, and these distortions may offset others that arise due to overconfidence. In each market structure, the overall effect on efficiency depends on the type-distribution of the labor force and/or the relative degree of overconfidence of the different types of the worker. I provide sufficient conditions for a monopsonistic market to be more efficient than a competitive market, but also that overconfident workers prefer to be employed in competitive markets, where their overconfidence harms them the most.

OTHER RESEARCH

"Information Gathering by Overconfident Agents" (R&R *The Journal of Economics and Management Strategy*)

Abstract: A principal hires an agent to both gather information about a project's costs and implement it. The agent's information gathering effort and what he learns are his private information. I allow the agent to be overconfident in the sense that he underestimates his expected cost of implementation and study the effects this has on the efficiency of information acquisition and implementation. Overconfidence makes the agent more willing to accept a given contract but may dampen his incentive to gather information, and the principal's attempts to exploit the agent's overconfidence at the contracting stage may exacerbate the incentive problem at the information gathering stage. Even when it is efficient to do so, information may not be gathered in equilibrium due solely to the agent's overconfidence, and implementation may also be inefficient as a result. The principal's payoff may be non-monotonic in the degree of overconfidence, increasing for both low and high levels of overconfidence, but decreasing for intermediate levels.

AWARDS

Langton Award for Distinguished Undergraduate Teaching, University of Washington	2016-2017
Graduate Teaching Award, University of Washington	2017-2018
Buechel Scholarship, University of Washington	2017-2018

CONFERENCE PRESENTATIONS

2019 Fall Midwest Theory Conference	2019

TEACHING EXPERIENCE

University of Washington

Lead Teaching Assistant, Econ 602 Economics Pedagogy for PhD Students	2017-2019
Instructor, Econ 485 Game Theory	WIN, SPR, AUT 2019
Instructor, Econ 300 Intermediate Microeconomics	AUT 2016, WIN, SPR, SUM 2017, SUM 2018
Instructor, Econ 200 Introduction to Microeconomics	AUT 2015, WIN, SPR, SUM 2016
Teaching Assistant, Econ 500, 501, 508 Microeconomics (PhD level)	AUT 2017, WIN, SPR 2018
Teaching Assistant, Econ 200 Introduction to Microeconomics	AUT 2014
Teaching Assistant, Econ 201 Introduction to Macroeconomics	WIN, SPR 2015

University Missouri

Head Teaching Assistant, Econ 1014 Introduction to Microeconomics	WIN 2013, SPR 2014
Teaching Assistant, Econ 1014 Introduction to Microeconomics	AUT 2012, SPR 2013