Aurora Stephany

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Department of Economics

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Education

University of Washington
M.A., Economics, 2015.
Fields: Microeconomic Theory, Applied Microeconomics

Doctoral Candidate 2018
PhD Economics (expected Spring 2019)

Universidad Simon Bolivar
M.S. studies (ABD), Mathematics, 2012.

Universidad Central de Venezuela
Bachelor Degree, Economics

Research Positions Held

2014 - Present: Department of Economics, University of Washington
Doctoral Student
Advisor: Dr. Yoram Barzel, PhD
Project: Property Rights, Transaction Costs and Information

2008 - 2010: Research Vicepresidency, Development Bank of Latin America (*CAF, in Spanish)*
Research Assistant
Supervisor: Dr. Jose G. Pineda, PhD
Project: Report on Economics and Development (RED)
Description: Gathering and cleaning large databases, mostly from available sources of official country statistics, as well as IMF, World Bank and OCDE. Data analysis and data handling responsibilities, as well as finding and summarizing relevant literature, and writing original content.

Research

Transaction Costs in the Trading of Variable Quality Commodities (2018)
With Yoram Barzel. Working paper
Abstract at the end of this document.

Information Costs in Economic Analysis (2017)
With Yoram Barzel. Working paper

Reputations: A Theory of Self-Enforced Transactions with Unobservable Quality (2018)
With Yoram Barzel. Working paper

Research

A Property Rights Study of Intermediation
With Yoram Barzel. Under development.

Measurement Costs and Customer Heterogeneity as Determinant of Packaging Choice: Supermarket Data (2018)
Abstract coming soon.

A Rationale for Marriage and Its Infidelity Implications (2016)
With Yoram Barzel and Qing Zhang. Working paper
Abstract at the end of this document.

Dowry and Bride Price: an Economic Perspective (2016)
With Yoram Barzel and Qing Zhang. Working paper
Abstract at the end of this document.

Inefficiencies in a three-sided matching model with an intermediate agency (2014)
Working paper

Teaching

2013 - 2018: Department of Economics, University of Washington Seattle
Teaching Assistant: Introductory Microeconomics, Introductory Macroeconomics
Instructor: Game Theory, Advanced Microeconomics, Intermediate Microeconomics, Introductory Microeconomics, Introductory Macroeconomics
Average of 4.3 out of 5 in teaching evaluations during school years 2016-18.
Details available upon request.

2018 - Present: School of Business, University of Washington, Bothell
Introductory Microeconomics, Business Statistics
Average of 4.6 out of 5 in teaching evaluations during 2018
Details available upon request.

2017: Seattle District Colleges (North and Central)
Adjunct Faculty: Principles of Macroeconomics

2015 - 2016: Seattle University, Alberts School of Business
Adjunct Faculty: Principles of Microeconomics, Principles of Macroeconomics, Intermediate Macroeconomics and Global Business

2010 - 2012: Universidad Simon Bolivar
Instructor: Calculus 1, 2 and 3; Introductory Geometry

Awards and Fellowships

York Fellowship
University of Washington, 2012-2013
Summa Cum Laude in Economics
Universidad Central de Venezuela
Mathematical Olympiad Awards
Gold Medal at Venezuelan Olympiad,
Honour Mention at Caribbean and Central American Olympiad
Participant at IMO

Computer Skills

Advanced: Python , Stata, R, Excel VBA , Intermediate: Java and Octave/Matlab.
Very competent at learning new programming languages.
LaTeX, Office Suite. Proficient with Windows and Linux, familiar with Apple OS.
Experience with vector-based graphic tools, such as Adobe Illustrator and Inkscape.

Technical Skills

Machine Learning, Econometrics (parametric and non-parametric),
Big Data, Experiment Analysis, Approximation Algorithms

Languages

English (advanced), Spanish (native), Portuguese (native), German (intermediate)

References

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Patrick Bajari
University of Washington
Department of Economics
Chief Economist and Vice President
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Judith Thornton *(Teaching)*
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Research Details

- **Transaction Costs in the Trading of Variable Quality Commodities** (2018)
  We study the organization of markets when goods are heterogeneous. When presented with a batch of non-uniform goods sold at the same price, buyers spend resources inspecting in order to get the best ones (i.e. cherry-picking). This cost to the buyer does not result in a transfer to the seller: it is dissipating. Sellers can avoid it by making the choice for the buyers, but this requires trust, as buyers who receive a low quality specimen do not know whether they have been cheated or unlucky. In the absence of trust, sellers can induce random choosing by making inspection costs high enough. But this can dissuade buyers from buying if the difficulty in inspecting the batch increases. If allowed to inspect, buyers with lower costs of inspection will drive the ones with higher costs away, which reduces the surplus. We develop a model for this situation and obtain several theoretical results which are then contrasted with common practices in retail trade. We prove that 1. If the buyers are allowed to inspect, the good must be sold at a price above average value. 2. As a result, the quality distribution will decay over time, and the seller will be forced to lower the price. 3. The problem is more acute

when there is greater dispersion in quality. 4. The seller is induced to make individual inspection costly, but he must keep the inspection of the whole batch low. 5. There are large gains to be made by increasing uniformity. 6. When buyers differ from each other, the ones with lower cost of inspecting could drive away the ones with higher inspection cost. When this problem is serious enough, the market for the commodity may not exist. The results in this paper help explain a wide variety of observed phenomena in the markets: why are oranges displayed in a pyramid, why pre-selected (pre-packaged) fruit is cheaper, why supermarkets with a heterogeneous customer base tend to sell either very uniform produce or pre-bagged produce, why there is a "second hand" vegetable market, and why so much effort is made to make produce homogeneous.

- **A Rationale for Marriage and Its Infidelity Implications** (2016)

  We propose and test a rationale for marriage as a contract. The reason a marriage contract has been so prevalent throughout history (as opposed to simple cohabitation, reproduction without cohabitation, or short-term contracts) is to solve property rights issues arising in the exchange: men cannot commit to support children in advance, and women cannot commit to fidelity in advance. Women would like the fittest man possible to father their children, but a man will only support children if he believes them to be his. The marriage contract allows this transaction by introducing external enforcement (by the State, the Church, or social norm). A clear implication of this theory is that women who plan to be single mothers will seek fitter males than women who plan to marry in order to obtain male support. Our test uses data from the Youth Longitudinal Survey, which follows youths for several years. We look at two groups of youths according to their mother's status: the ones who planned to be single mothers (were not married at the time of birth) and women who expected to obtain male support but became single mothers (were married at the time of birth but lost their husbands shortly after). We then compare each individual to their own mother when she was their age. We find significant differences in the school and income outcomes between the two groups of offspring. Children of intentional single women outperform their mothers more than children of unintentional single women.

- **Dowry and Bride Price: an Economic Perspective** (2017)

  We use a property rights approach to explain the existence, and in some cases coexistence, of bride price and dowry. We propose that the two institutions serve different purposes. Bride price is a transfer from the groom's family to the bride's, and it represents compensation for the productivity of the bride throughout her life. Dowry, on the other hand, is a transfer from the bride's family either to the new couple or to the family of the groom. The marriage rationale proposed in our previous paper Barzel, Stephany and Zhang (2017) indicates that the institution of marriage will impose constraints on the bride, so as to ensure that her children are indeed biologically her husband's. These constraints will in many cases lower her quality of life, and most importantly, will prevent her family from ensuring her safety and comfort after she has moved to her husband's home. By transferring assets to the new couple, the bride's family tries to ensure her survival and comfort. These assets will thus be not in the form of money or liquid goods, but rather in illiquid, difficult to sell assets that result in a higher quality of life for her, and that the husband might not decide to buy on his own.

  Our framework explains why it has been observed in several cultures that both bride price and dowry can exist together: a simple exchange of cash between the families would not serve much purpose, and given the relative magnitude of the exchanges, could even be inefficient. But the transfer of cash in one direction and assets in the other does indeed make sense as a way to ensure the bride has access to some tools and comforts that her husband would otherwise not provide.