

# Richard Faltings

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## Education

Ph.D., Economics, The University of Texas at Austin	2025 (expected)
M.A., Quantitative Economics and Finance, University of St. Gallen	2018
B.A., Economics, University of St. Gallen	2016

## Research Interests

Market Design, Transportation, Digital Platforms, Reinforcement Learning

## References

**Eugenio Miravete**  
*Rex G. Baker Jr.*  
*Professor of Political Economy*  
The University of Texas at Austin  
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**Daniel Ackenberg**  
*Addison Baker Duncan Centennial*  
*Professor of Economics*  
The University of Texas at Austin  
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**Nicholas Buchholz**  
*Assistant Professor of Economics*  
Princeton University  
[nbuchholz@princeton.edu](mailto:nbuchholz@princeton.edu)

**Victoria Marone**  
*Assistant Professor of Economics*  
The University of Texas at Austin  
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## Job Market Paper

### **Pricing the Right to Renege in Search Markets: Evidence from Trucking**

**Abstract:** In many markets, advance interim contracts include an explicit right to renege, granting one party the option to switch to more efficient matches that emerge later in the search process. This paper studies the formation and welfare implications of such interim contracts, leveraging novel data from a brokerage firm in the trucking industry. The broker allocates advance shipment contracts to carriers through a dynamic auction mechanism and penalizes cancellations through a reputational mechanism. I develop a theoretical model linking the carrier's bidding problem to the firm's cancellation penalties through a dynamic job-search problem and structurally estimate the model from rich data on bids and cancellations. In counterfactual simulations, I show that the firm is incentivized to lower cancellation penalties as the option value of the right to renege is priced into carrier bids. The results rationalize the large degree of contractual flexibility observed in the trucking industry as an efficient market outcome rather than one constrained by limited enforcement.

## Working Papers

### Oligopolistic Price Competition in Space and Time: Framework and Distributional Effects

**Abstract:** I study oligopolistic dynamic price competition between micromobility platforms in Washington, D.C. The model presents a computational challenge due to both the large policy space—optimizing prices across hundreds of origin-destination pairs for eight competing firms—and the large state space of vehicle inventories across different locations. I overcome these computational challenges by performing gradient descent in a simulated dynamic model of the market, an approach proven to be successful in high-dimensional settings by the deep reinforcement learning literature. Using this framework, I compare the current regulation-constrained regime of spatially uniform price competition with counterfactual scenarios with competition on fully flexible prices for each origin-destination pair and time of day, focusing on the distributional impacts of flexible pricing. Matching the heterogeneous welfare impacts to trip survey data, I find that welfare gains and losses are evenly distributed across travelers of different incomes, allaying policymakers' concerns of equitable access to transportation under destination pricing.

## Work in Progress

### Equilibria in the Decentralized Freight Network

(with Nicholas Buchholz and John Lazarev)

**Abstract:** We study equilibrium market structure and pricing across the nationwide freight trucking network, a trillion-dollar market responsible for moving 72% of the nation's goods. Using detailed auction data from the U.S. freight spot market, we document a three-fold per-mile price dispersion across 171 U.S. cities, evidence of significant geographic labor supply preferences, and imbalanced trade flows between regions. To understand these patterns, we pose a micro-founded model of carrier bidding behavior across local markets. Local market outcomes are linked to each other in a spatial equilibrium, as the movement of trucks in the network influences the value of bidding on different shipment destinations. The auction-based setting allows us to obtain rich estimates of carrier cost heterogeneity, search frictions and home-region preferences. Despite the large and competitive national pool of carriers and drivers, markets with a thinner flow of trucks in equilibrium give rise to localized market power. We use our estimates to quantify how these factors contribute to the observed spatial price dispersion and capacity patterns over the network.

### Preference Inertia and Superstar Effects: Evidence from Live-streaming

*Supported by the Twitch Research Fellowship*

(with Alexander Tang)

**Abstract:** Superstar effects have been linked to rising income inequality since Rosen (1981). Theoretical models assume that superstar effects are driven by natural market forces allowing high-quality individuals to command disproportionately large market shares—especially in industries with near-zero marginal costs of production, such as entertainment. However, choice inertia induced by search frictions can further amplify the success of superstars through an incumbency advantage. We provide novel evidence quantifying the impact of choice inertia on superstar popularity within the live-streaming market. We analyze panel data on viewership for a game category before and after a significant demand shock, which spurred entry of new streamers. Our findings reveal that while incumbent streamers are more popular overall, new viewers are twice as likely (32.81%) as incumbents (14.63%) to watch an entrant streamer, highlighting a substantial role for choice inertia. These insights can guide the design of content recommendation algorithms to support new creators and mitigate superstar effects caused by choice inertia.

## Publications

**Rot-Jaune-Verde. Language and Favoritism: Evidence from Swiss Soccer.**

*Kyklos*, 76( 3), 380–406.

(with Alex Krumer and Michael Lechner)

## Conference Presentations

Southern Economic Association, 94 <sup>th</sup> Annual Meeting (scheduled)	2024
18 <sup>th</sup> Swiss Economists Abroad Conference (Zurich)	2023
16 <sup>th</sup> Swiss Economists Abroad Conference (Virtual), MaCCI Summer School on Platform Economics	2022
15 <sup>th</sup> Swiss Economists Abroad Conference (Virtual)	2020

## Honors and Fellowships

Summer Research Fellowship, The University of Texas at Austin	2022, 2023, 2024
Graduate Continuing Fellowship, The University of Texas at Austin	2021 - 2022
Twitich Research Fellowship	2021
Outstanding Second-Year Paper Award, The University of Texas at Austin	2020
Graduate Fellowship, The University of Texas at Austin	2018 - 2021

## Research Experience

University of Texas at Austin, Research Assistant to Eugenio Miravete	2022 - 2023
University of Texas at Austin, Research Assistant to Vasiliki Skreta	2021
University of Texas at Austin, Research Assistant to Jorge Balat	2021
University of St. Gallen, Research Assistant to Stefan Buehler	2017 - 2018
University of St. Gallen, Research Assistant to Michael Lechner	Spring 2017

## Teaching Experience (TA)

Introductory Game Theory ( $\times 4$ ), evaluation: 4.48/5.00	2019, 2020, 2024
Economics of Auctions, evaluation: 3.95/5.00	2023
Introduction to Economics (summer)	2023
Political Economy (summer)	2020
Behavioral Economics	2019
Introduction to Econometrics	2018

# Other Experience

PhD Student Seminar Coordinator, The University of Texas at Austin	2020 - 2023
Intern, Chief Economist Team, DG for Competition, European Commission	2018

# Skills

Software: Julia, Python, R, Stata, Matlab, $\LaTeX$	
Languages: English (native), French (native), German (fluent)	
	Updated: October, 2024