Richard Faltings

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Education

Ph.D., Economics, The University of Texas at Austin

M.A., Quantitative Economics and Finance, University of St. Gallen

2025 (expected)

2018

Research Interests

B.A., Economics, University of St. Gallen

Market Design, Transportation, Digital Platforms, Reinforcement Learning

References

Eugenio Miravete

Rex G. Baker Jr.
Professor of Political Economy
The University of Texas at Austin
eugenio@utexas.edu

Nicholas Buchholz

Assistant Professor of Economics Princeton University nbuchholz@princeton.edu

Daniel Ackerberg

Addison Baker Duncan Centennial Professor of Economics The University of Texas at Austin daniel.ackerberg@utexas.edu

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2016

Victoria Marone

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Job Market Paper

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

Abstract: In many markets, advance contracts allow one party to renege against a penalty, granting them the option to keep searching for alternatives and reducing their opportunity cost of contracting early. This paper studies the optimal design and welfare implications of such arrangements in the trucking industry, leveraging novel data from a brokerage firm. Through a digital auction platform, the firm lets freight carriers bid their asking price on shipments directly and penalizes cancellations lightly through a reputational mechanism. To evaluate alternative penalty designs, this paper develops and estimates a dynamic structural model of the carriers' job-finding problem, linking their search and bidding behavior to the firm's cancellation policy. Counterfactual simulations of the model suggest that increasing the cancellation penalty reduces both firm profits and overall welfare, as the burden of reduced flexibility is shifted to the brokerage through increased bids and fewer total matches. The paper also explores a switch to pecuniary penalties—common in the travel industry—which provide the brokerage with an additional revenue stream. Results show that while these can boost firm profits, they do so at the cost of lower overall welfare.

Working Papers

Squeezing more Juice out of Lime: A Novel High-dimensional Pricing Algorithm.

Abstract: Sophisticated pricing algorithms used by digital transportation platforms have renewed interest in price control policies, but little evidence exists on their redistributive effects. This paper studies a uniform price mandate in the market for shared electric vehicle platforms in Washington, D.C., which prohibits originand destination-based pricing. To compute price equilibria encompassing hundreds of prices for specific origin-destination pairs, I develop a new simulation-based pricing algorithm, adapted from the reinforcement learning literature. I apply the algorithm to a demand system estimated using geolocation data from all firms in the market. In the counterfactual exercise, I find that the redistributive effects of the price controls are mild, and mainly serve riders in the periphery of the city. Furthermore, I find that relaxing the price controls increases rides taken by consumers by 41%, firm profits by 34%, and increases consumer welfare by more than double the profit increase (80% of firm profits).

Work in Progress

From Favorites to Fresh Faces: Viewer Loyalty and New Creators in Livestreaming

Supported by the Twitch Research Fellowship

(with Alexander Tang)

Abstract: As the gig economy grows, an increasing number of individuals are relying on content creation for their livelihood. The design of platform recommendation algorithms plays a critical role in the discovery and success of new creators. This study presents novel evidence from a natural experiment on the Twitch livestreaming platform to quantify this entry barrier. We analyze eight weeks of high-frequency viewership panel data for all World of Warcraft streams, focusing on the period surrounding the launch of a new game expansion that substantially increased both viewership and the number of streamers. Our findings highlight the significant role of viewer favorites, with the median viewer dedicating 60% of their time to a single streamer pre-launch and 48% post-launch. We also observe considerable stickiness in these preferences; fresh viewers in the post-launch period are twice as likely to watch fresh streamers compared to those active pre-launch. These patterns have important implications for the entry of new streamers and inform the design of recommendation algorithms. Future work aims to develop a theoretical model to understand the impact of these dynamics on the equilibrium distribution of viewership across streamers.

Equilibria in Decentralized Freight Networks

(with Nicholas Buchholz and John Lazarev)

Publications

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

Kyklos, 76(3), 380-406.

(with Alex Krumer and Michael Lechner)

Conference Presentations

10th Code Francisco Almand Conference (Zonial)	2022
18 th Swiss Economists Abroad Conference (Zurich)	2023
16 th Swiss Economists Abroad Conference (Virtual)	2022
MaCCI Summer School on Platform Economics	2022
15 th 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
Twitch 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	
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
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Skills

Software: Julia, Python, R, Stata, Matlab, MTEX

Languages: English (native), French (native), German (fluent)

Updated: September, 2024