TRENT MCNAMARA

Texas A&M University • Department of Economics • College Station, TX 77845
Website: sites.google.com/site/trentmcnamara • Email: trent_mcnamara@tamu.edu

EDUCATION

Texas A&M University, College Station, TX August 2015-present
Ph.D., Economics, expected May 2020, Committee Chair: Steve Puller

The University of Texas, Austin, TX May 2015
B.A., Economics, with honors
B.A., Mathematics, with honors

RESEARCH FIELDS

Industrial Organization, Energy & Environmental Economics, Behavioral Economics

PUBLICATIONS

"The Economic Effects of Facebook" (2019), forthcoming, **Experimental Economics**
with Roberto Mosquera, Mofioluwasademi Odunowo, Xiongfei Guo, and Ragan Petrie

Social media permeates many aspects of our lives, including how we connect with others, where we get our news and how we spend our time. Yet, we know little about the economic effects for users. In 2017, we ran a large field experiment with over 1,765 individuals to document the value of Facebook to users and its causal effect on news consumption and awareness, well-being and daily activities. Participants reveal how much they value one week of Facebook usage and are then randomly assigned to a validated Facebook restriction or normal use. Those who are off Facebook for a week reduce news consumption, are less likely to recognize politically-skewed news stories, report being less depressed and engage in healthier activities. One week of Facebook is worth $67, and this increases by 19.6% after experiencing a Facebook restriction (33% for women), reflecting information loss or that using Facebook may be addictive.

WORKING PAPERS

"Price Leadership and Learning in Oligopoly: Evidence from Electricity Markets"

Despite extensive theoretical research on the existence of multiple equilibria, little is known about how equilibria are selected and how players transition between different equilibria. In addition, in oligopoly markets markets where firms compete in supply functions, there exist a wide range of potential equilibria with significant differences in market outcomes. In this setting, transitioning between equilibria can be highly profitable. I use firm offer data into 15-minute electricity auctions to show the process by which firms transition from a low price supply function equilibrium (SFE) to a high price equilibrium. I document a price leader's deviation from equilibrium play which serves as a signal for other firms to deviate as well. Firms forego short-term profits in a dynamic learning environment to transition to a high price equilibrium. This shift in equilibrium is associated with an average price increase of 5%, but can be as large as 1,500% in some periods. This also generates profits significantly larger than those foregone by signaling. In order to speak to how learning occurs during the transition period, I integrate a fictitious play learning model into a model of dynamic profit maximization. In general, firms learn and respond to each other's more recent actions. From a market design perspective, this allows me to estimate how the timing and release of historical information impacts market outcomes. I show that with enough of a data release lag, firms would forego transitioning altogether.

"Who Supports Pigou? The Distributional Consequences of Pigouvian Taxes"
with Steve Puller

Externalities borne from gasoline consumption in the personal transportation market in the United States impose a large cost on society. This cost has been addressed by using vehicle regulations rather than Pigouvian taxation, despite a growing literature analyzing how the former is economically inefficient relative to the latter. One reason why this inefficiency remains status quo stems from the general population's well-documented dislike for taxation. Following this, we show three main results induced by an increase to the gasoline tax. First, there exists significant heterogeneity in both the costs and benefits borne from a uniform gasoline tax. Second, this distribution is an important component for an individual's level of support of gas taxes even after controlling for political identity. Third, through revenue neutral tax schemes there exists a meaningful way in which revenue can be returned to individuals such that support for raising the gas tax increases to a median level of support of 5 on a scale of 10.

"The Growing Divide: The Case of (Mis)Information and Polarization"
with Roberto Mosquera

The divergence of political attitudes towards ideological extremes has become a feature of the political landscape in the United States. Little is known about the source of this divergence, how large it is, whether information can attenuate it, and what its impact is on political support and civic engagement. We run a field experiment to recover a distribution of polarization for American constituents and find it is driven by beliefs rather than preferences. We randomly introduce factual information and show that it corrects misaligned beliefs. Using this variation, we estimate that increasing polarization results in an individual being 0.35 s.d. less supportive towards the government, believe the government is less efficient by 0.42 s.d., and are less willing to compromise and trust by 0.43 s.d.

WORKS IN PROGRESS

"Field Experiments on Political Polarization and Civic Engagements"
with Roberto Mosquera

"Field Experiments on Household Electricity Consumption"
with Jesse Backstrom

"Natural Disasters and Climate Change Beliefs"

RESEARCH PRESENTATIONS

2019: Applied Economics Research Symposium (Mar.), Advances with Field Experiments (Sep.), STATA Applied Micro Conference (Sep.), Southern Economic Association (Nov.)

2018: Missouri Valley Economic Association (Nov.)

REFEREE SERVICE

Journal of Economic Behavior and Organization, *Journal of Public Economics*

TEACHING & RESEARCH EXPERIENCE

Texas A&M University, College Station, TX August 2015 - present

Instructor of Record
Intermediate Microeconomics (Summer 2019); rating 4.78/5.00

Research Assistant
Fernando Luco (Summer 2017 - Fall 2019)

Teaching Assistant
Economics of the Multinational Firm (TA, Spring 2020); rating N/A
Antitrust Economics (grader, Fall 2019 & Spring 2020); rating N/A
Economic Data Analysis (TA, Spring 2017); rating 4.50/5.00
Introduction to Econometrics (TA, Fall 2016); rating 4.71/5.00
Economic Data Analysis (grader, Spring 2016); rating N/A
Organization of Industry (grader, Fall 2015); rating N/A

REFERENCES

Fernando Luco
Texas A&M University
Department of Economics
Assistant Professor
fluco@tamu.edu

Ragan Petrie
Texas A&M University
Department of Economics
Professor
rpetrie@tamu.edu

Steve Puller
Texas A&M University
Department of Economics
PERC Professor
spuller@tamu.edu