

# TRENT MCNAMARA

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## EDUCATION

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<b>Texas A&amp;M University, College Station, TX</b> Ph.D., Economics, expected May 2020, Committee Chair: Steve Puller	August 2015-present
<b>The University of Texas, Austin, TX</b> B.A., Economics, with honors B.A., Mathematics, with honors	May 2015

## RESEARCH FIELDS

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**Industrial Organization, Environmental Economics, Energy Economics,  
Field Experiments, Empirical Microeconomics, Political Economics**

## PUBLISHED PAPERS

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**“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

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**“Price Leadership and Learning in Oligopoly: Evidence from Electricity Markets”**  
*job market paper, draft available soon*

Despite extensive theoretical research on the existence of multiple equilibria, little is known about how the equilibria that are played are selected and how players transition between different equilibrium. In addition, in oligopoly markets where firms compete on supply functions, there exists a wide range of potential equilibria with significant differences in market outcomes. In this setting, transitioning between equilibria can be highly profitable. In this paper, I use very high-frequency data on firm behavior to show the process by which firms transition from a low price supply function equilibrium (SFE) to a high price SFE. I document a price leader’s systematic deviation from equilibrium play which serves as a signal for other firms to deviate as well. Firms forego short-term profits in favor of dynamically learning how to transition to a high price SFE. This shift in equilibrium is associated with an average price increase of 5%, but can be as large as 1,500%. This also generates profits significantly larger than those foregone profits by signaling. In order to speak to how learning occurs during the transition period, I integrate a fictitious play learning model with 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 lag (10-days), firms would forego transitioning to the high price SFE 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.

## WORKS IN PROGRESS

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**“The Growing Divide: The Case of (Mis)Information and Polarization”**

*with Roberto Mosquera*

## RESEARCH PRESENTATIONS

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**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

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*Journal of Economic Behavior and Organization*

## TEACHING & RESEARCH EXPERIENCE

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**Texas A&M University, College Station, TX**

August 2015 - present

### **Instructor of Record**

Intermediate Microeconomics (Summer 2019); rating 4.78/5.00; class GPA 2.67/4.00

### **Research Assistant**

Dr. Fernando Luco (Summer 2017 - Fall 2019)

### **Teaching Assistant**

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

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### **Fernando Luco**

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Assistant Professor  
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### **Ragan Petrie**

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### **Steve Puller**

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