

# 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 Coordination in Oligopoly: Evidence from Electricity Markets”**

Theory predicts the simultaneous existence of multiple equilibrium, but there is little research investigating the transition between them as well as the establishment of any new equilibrium. Using a model of static profit maximization, I document a price leading firm’s systematic deviation from a static Nash game which serve as a signal for other firms to similarly offer too-steeply as well. In turn, this process of learning and experimentation creates a profitable static high-price coordinating equilibrium. In this paper, I first characterize each equilibrium. Following this, I show the transition and development between the two. Lastly, I provide evidence that this behavior best explains a series of large price spikes in the Texas Wholesale Electricity market in the summer of 2013. This shift in equilibrium play results in price increases of over 1,500% the average afternoon price (\$50 to \$770). Successful coordination generates profits significantly larger than the foregone profits of signalling ( $\approx$ \$3,500/per offer). A regulatory policy that excludes firms based on their size potentially provides an opportunity for a small firm to emerge as a price leader. While this dissents from the theory of dominant price leadership, it fits with models of barometric price leadership.

**“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.)

## 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 2.67/4.0

**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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