

SEMINARIO DE ECONOMÍA

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Título:

“Heterogeneity in decision making: evidence from the NYC Taxi Industry”

Ponente:

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Lugar e hora:

Aula-Seminario 6

13:00 h

Organiza:



Coa colaboración de:



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Heterogeneity in decision making: evidence from the NYC Taxi Industry

With G. Frechette, A. Lizzeri and T. Salz

When facing uncertainty agents form expectations. In this paper, we aim to answer classic questions with a long standing interest: to what extent do they use information available to them? Can heterogeneous decisions be explained by a differential use of information or by different processes of expectation formation? How do these differences produce final heterogeneous decisions? In general, it is difficult to find a natural context to answer these. We study a specific binary decision in which taxi drivers decide whether to wait at the airport for a passenger or not. The right choice depends on returns in each case. These returns directly depend on the wait time and the returns in other areas. We observe a large panel of drivers with wide variability in their decisions. We also encounter large variations on observables such as the speed in the city, arrival rate of flights, weather conditions and other time specific effects, including ex-post information about earnings resulting from these decisions.