



Fachbereich VWL / Department of Economics

EconNewsletter

Editorial Contact: Michael Paetz
tel: +49 40 42838-5561; e-mail: econ.newsletter.Wiso@uni-hamburg.de

NOVEMBER 24 – NOVEMBER 28, 2025

NEWSLETTER 2025-25

SEMINAR CALENDAR

Quantitative Economics

[Claudia Steinwender, LMU:](#)

Broke, but not out of Luck: Indebtedness, Migration, and Occupational Change

Tuesday November 25
12:15–13:30
R. 0079 (VMP 5)

Hamburg Lectures in Law and Economics

[Prof. Dr. Kai Gehring, Universität Bern:](#)

What Makes Narratives Go Viral, and Does it Matter?

Wednesday November 26
18:15–19:45
R. 223 (ILE)
Alsterterrasse 1

This seminar is held in a hybrid format. To register for online participation via Zoom, please send an E-Mail by 11:30 AM at the latest on the day of the lecture to lectures-ile@uni-hamburg.de.

Labour and Applied Economics

[Martin Abel, Bowdoin College:](#)

Signal Coarsening and Labor Market Matching
- *The Effects of Grade Inflation*

Thursday November 27
14:30–16:00
Esplanade 36, R. 4011/13

Microeconomics

[Melis Kartal, WU Vienna:](#)

TBA

Thursday November 27
17:15–18:45
R. 0079 (VMP 5)

ABSTRACTS

Labour and Applied Economics

Martin Abel, Bowdoin College:

Signal Coarsening and Labor Market Matching - The Effects of Grade Inflation

Abstract:

This paper studies how grading regimes affect how employers interpret academic credentials. We first randomly assign test takers to receive inflated, compressed, or standard grading distributions while holding underlying test performance constant. In an incentivized online experiment, participants act as hiring managers and first report priors, then observe grades, and finally set wages. We use these data to estimate decision weights on priors and signals. As predicted by theory, managers place less weight on coarser signals. However, candidates benefit from grade inflation as managers infer higher ability from signals and assign higher decision weights. Finally, data suggests that signal coarsening, whether through inflation or compression, lowers selection efficiency and increases gender inequities in labor markets with gendered priors.

Quantitative Economics

Claudia Steinwender, LMU:

Broke, but not out of Luck: Indebtedness, Migration, and Occupational Change

Abstract:

Understanding how economies adjust to negative shocks is a central question in economics. This paper provides causal evidence on how indebtedness affects occupational and geographic mobility after a shock. We focus on 19th-century U.S. agriculture and exploit repeated introductions and repeals of federal bankruptcy law, variation in drought exposure, and rich county- and individual-level data. We find that bankruptcy protection, which reduces indebtedness, facilitates reallocation: farmers affected by drought are more likely to exit agriculture and migrate to manufacturing jobs in urban counties. In contrast, in the absence of bankruptcy protection, farmers remain in agriculture and sell portions of their farms to other locals. These effects are reinforced by homestead exemptions, which protect local assets; bankruptcy law transforms these from illiquid to liquid assets. Our findings underscore the role of institutions in enabling individual mobility and structural change following adverse economic shocks.

The next EconNewsletter will be published on Monday, December 1, 2025.

Editorial deadline: Friday, November 28, 2025.

EconNewsletter

Department of Economics

University of Hamburg

Von-Melle-Park 5, 20146 Hamburg

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