

Michele Fioretti

University of Southern California
Department of Economics
3620 South Vermont Avenue, KAP 300
Los Angeles, CA 90089

☎ +1 (323) 875-4721 / +39 (328) 378-5304
✉ fioretti@usc.edu
🌐 <http://michelefioretti.com>

Education

Ph.D. Economics, University of Southern California 2013 – '19 (exp.)
Committee: G. Ridder (Chair), G. Coricelli, H. R. Moon, S. Wilkie, S. Yang

M.P.A. Political Economy, London School of Economics 2009 – '11

B.A. Business, Bocconi University 2006 – '09
Exchange semester at University of North Carolina at Chapel Hill (Fall 2008)

Fields of Interest

Empirical Industrial Organization, Behavioral Economics, Applied Microeconomics

Job Market Paper

Giving for Profit or Giving to Give: The Profitability of Corporate Social Responsibility
Winner of the Best Applied Paper Award at the 2018 Econometric Society European Meeting

Working Papers

Dynamic Regret Avoidance, with Giorgio Coricelli and Alexander Vostroknutov [Submitted]

Quality, Quality Payments, and Risk Selection in Private Medicare, with Hongming Wang

The Price of Water and Dynamic Spillovers: Hydropower Generation in Colombia, with Jorge Tamayo

Altruism and Firm Profits, with Kenneth Chuk

Work in Progress

Complementarities Between Teacher, School, and Student Inputs, with Elena Manresa, Olga Namen and Petra Thiemann

Regret in Auctions: An fMRI Study, with Nadege Bault, Giorgio Coricelli and Nicholas Menghi

Sorting and Selection in Private Medicare, with Alejandro Robinson-Cortés and Hongming Wang

Publications

Suboptimal Dishonesty: Rationality in the Absence of Strategic Behavior in Honesty Experiments, with Sean Marden, *The Journal of Neuroscience*, 35.5 (2015): 1817-1818

Awards and Fellowships

Award for Best Applied Economics Paper by a Young Researcher at the 2018 Econometric Society Summer European Meeting, <i>EEA-ESEM Cologne</i>	2018
Final Year Fellowship, <i>USC</i>	2018 – '19
Final Year Fellowship Travel/Research Award, <i>USC</i>	2018 – 2019
Summer Research Grant Award, <i>USC</i>	2018
Best Third Year Paper Award, <i>USC</i>	2016
International Association for Applied Econometrics 2016 Travel Grant, <i>IAAE</i>	2016
Institute For New Economic Thinking Graduate Fellowship, <i>USC Dornsife INET</i>	2015 – '16
Best Second Year Paper Award, <i>USC</i>	2015
USC Dornsife College Graduate Merit Award, <i>USC</i>	2013 – '18
Etwoo.it ranked top 12 at the EMEA stage of the <i>Global Social Venture Competition</i>	2011
INPDAP scholarship, <i>INPDAP</i>	2008

Seminar and Conference Presentations

International Industrial Organization Conference (Indianapolis); Cal State Long Beach; Caltech; American Society of Health Economists* (Atlanta); EEA-ESEM (Cologne); California Econometrics Conference (UC Irvine); EGSC (WUSTL); USC; CESR Brown Bag Seminar (USC); USC INET; ESWM (Naples); 8 th EIEF-UNIBO-IGIER Bocconi Workshop on IO (Rome)	2018
Caltech; EMCON (U. Chicago); North American Meeting of the Econometric Society (WUSTL); Asian Meeting of the Econometric Society (Hong Kong); Maastricht Behavioral and Experimental Economics Symposium*; George Mason University*; ESA World Meeting* (San Diego); ESA European Meeting* (Vienna); Conference of the Western Economic Association* (San Diego); Alicante*	2017
California Econometrics Conference (Brigham Young U.); International Association for Applied Econometrics (Bicocca U., Milan); International Industrial Organization Conference (Drexel U.)	2016
Università degli Studi di Trento	2015
Global Social Venture Competition (London Business School)	2011

* Presentation by coauthor

Teaching Experience

EC303, Intermediate Microeconomics. TA for Prof. E. Bayrak	Fall '16
EC303, Intermediate Microeconomics. TA for Prof. G. Coricelli	Spring '15, '17
EC203, Principles of Microeconomics. TA for Prof. M. Rashidian	Fall '14

Past Employment

BNP Paribas, Corporate and Investment Banking , London, UK Junior Analyst, Mergers & Acquisitions, Oil & Gas sector	2011 – '12
Etwoo.it , Jesi, Italy Social impact start-up auctioning celebrities' belongings for charity	2010 – '11

Deloitte, Public Sector Consulting , London, UK Student Consultant	2010
Open Europe , Brussels, Belgium Summer Intern	Summer '10

Additional Information

Started and organized the USC Economics Brown Bag Seminar Languages: Italian, English Software: Mathematica, Matlab, Python, R, Stata, z-Tree, Bloomberg, Datastream	2015 – '18
--	------------

References

Prof. Geert Ridder (Chair)
Department of Economics
University of Southern California
ridder@usc.edu

Prof. Giorgio Coricelli
Department of Economics
University of Southern California
giorgio.coricelli@usc.edu

Prof. Hyungsik Roger Moon
Department of Economics
University of Southern California
moonr@usc.edu

Prof. Sha Yang
Marshall School of Business
University of Southern California
shayang@marshall.usc.edu

Abstracts

Giving for Profit or Giving to Give: The Profitability of Corporate Social Responsibility [Job Market Paper]

Winner of the Best Paper Award at the 2018 Econometric Society European Meeting

Is corporate social responsibility (CSR) profitable or do firms engage in CSR to contribute to the greater good? This paper investigates the profit-optimal level of CSR for a firm whose CSR expenditure can be easily quantified: a monopolist offering charity auctions of celebrities' belongings. Donations influence both revenues and costs. A structural auction model is used to estimate the elasticity of demand to donations. Procurement costs for each item are estimated exploiting the way the firm sets the reserve price. Counterfactuals show that despite prices increase as the firm donates more, such increase does not compensate for the donations. The comparison of the estimated costs and revenues indicate that the firm can significantly increase its profits by donating the profit-optimal amount. This suggests that firms' objectives may extend beyond profitability as, in this case, the firm also cares about its social impact.

Dynamic Regret Avoidance, with Giorgio Coricelli and Alexander Vostroknutov [Submitted]

In a stock market experiment we examine how regret avoidance influences the decision to sell an asset while its price changes over time. Participants know beforehand whether they will observe the future prices after they sell the asset or not. Without future prices participants are affected only by regret about previously observed high prices (past regret), but, when future prices are available, they also avoid regret about expected after-sale high prices (future regret). Moreover, as the relative sizes of past and future regret change, participants dynamically switch between them. This demonstrates how multiple reference points dynamically influence sales.

Quality, Quality Payments, and Risk Selection in Private Medicare, with Hongming Wang

As Medicare payment increasingly rewards value of care, empirical evidence on the effect of value-based payment is still scarce. This paper examines the incidence of quality bonus payments in the Medicare Advantage market. We find that high quality contracts increased bids by the full amount of the bonus payment, leaving enrollee premium and rebate unchanged. Within contract, premium

increased (decreased) in high (low) risk counties, and the risk pool improved significantly over low quality contracts. Evidence suggests that the selection arises from a negative correlation between risk scores and patient outcome measures in the quality rating. The selection response calls into question the distributional implication of quality payments, and the risk confounds in measures of quality linked to payment.

The Price of Water and Dynamic Spillovers: Hydropower Generation in Colombia, with Jorge Tamayo

Hydroelectric generation is the main source of energy in many Latin American and Scandinavian countries. Hydroelectric power plants consume water in order to produce energy, exposing firms to the water cycle: water abounds in the rainy season, making production cheap, while it is scarce in the dry season, leading to greater production costs. Thus, energy production requires the careful assessment of current gains versus future profits. This paper focuses on the Colombian wholesale energy market, where 75% of the energy is produced through hydro power plants. We first provide evidence of dynamic optimization by showing that hydro power plants account for future negative shocks in their current production decision: power plants decrease their own production to cope with future expected droughts. In addition, multi-production technology firms react to these shocks by increasing their current production of their thermal units. Such production spillovers decrease market prices, as thermal power plants owned by large firms are willing to produce at smaller prices in dry periods than other thermal power plants. This shows that dynamic incentives to multi-technology firms may provide the regulator with the opportunity to contain prices in dry periods without the introduction of price ceilings. To test this conjecture, we build a dynamic multi-unit auction model which capture the main features of the Colombian energy market. After proving the nonparametric identification of marginal and intertemporal costs for each production technology, we estimate the model on Colombian data. The estimated costs are in line with those from market assessments by industry specialists. Simulations are ongoing.

Altruism and Firm Profits, with Kenneth Chuk

Firms' donations are pervasive, but do they increase profits? Theoretical studies attribute higher profits if consumers display warm-glow preferences and exhibition value. The two models differ in the way consumers perceive direct donations to charities. Under warm-glow, indirect donations by purchasing charity-linked products act as discounts, resulting in no extra profits. Under exhibition value, indirect donations can increase profits because consumers' own purchases and direct donations are not perfect substitutes. Indirect contributions can also generate a larger public good, but this necessarily implies lower profits. Thus, markets cannot adequately incentivize firms to promote greater individual contributions.