HEIDI CHRISTINA THYSEN

LONDON SCHOOL OF ECONOMICS & POLITICAL SCIENCE

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OFFICE ADDRESS, TELEPHONE & E-MAIL:

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CITIZENSHIP: Danish

PRE-DOCTORAL STUDIES:

2016-2018 MRes in Economics, London School of Economics and Political Science 2013-2016 International Master of Science in Quantitative Economics, Aarhus BSS, Aarhus University 2010-2013 BSc in Economics and Management, Aarhus BSS, Aarhus University

DOCTORAL STUDIES:

London School of Economics

DATES: 2018 - present

THESIS TITLE: "Essays on Misspecified Models"

EXPECTED COMPLETION DATE: July 2021

THESIS ADVISOR AND REFERENCES:

Professor Gilat Levy Department of Economics London School of Economics Houghton Street London WC2A 2AE <u>g.levy1@lse.ac.uk</u> Tel. +44 (0)20 7955 6652 Fax +44 (0)20 7831 1840

Andrew Ellis Department of Economics London School of Economics Houghton Street London WC2A 2AE <u>a.ellis@lse.ac.uk</u> Tel. +44 (0)20 7955 6868 Fax +44 (0)20 7831 1840 Professor Ran Spiegler Department of Economics University College London 30 Gordon Street London WC1H 0AX <u>r.spiegler@ucl.ac.uk</u> Tel. +44 (0)20 7679 7599

Department of Economics

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DESIRED TEACHING AND RESEARCH:

Primary Fields: Microeconomic Theory, Behavioral Economics Secondary Fields: Game Theory, Political Economy

TEACHING EXPERIENCE:

2019-2020	Teaching Fellow:
	EC476, MSc Contracts and Organisations, LSE
	EC411, MSc Microeconomics, LSE
2018-2020	EC451, Pre-sessional Course for MSc EME (Micro part), LSE
2015	BSc Business Mathematics, Aarhus BSS, Aarhus University
2014	BSc Microeconomics 2, Department of Mathematics, Aarhus University
2012-2013	BSc Micro- and Macroeconomics, Aarhus BSS, Aarhus University

RELEVANT POSITIONS HELD:

2016-2020	Research Assistant for Ran Spiegler, UCL
2017	Research Assistant for Gilat Levy, LSE

LANGUAGES

Basic Spoken	Fluent Spoken
German	Danish, English
Basic Written	Fluent Written

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German	Danish, English

HONORS, SCHOLARSHIPS AND FELLOWSHIPS:

2016-2021PhD Studentship, London School of Economics and Political Science2016Economics and Management Graduate of the Year, Oecon Foreningen

REFEERING SERVICES:

Theoretical Economics, European Economic Review

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COMPLETED PAPERS:

Job Market Paper:

"Equilibrium Contracts and Boundedly Rational Expectations", joint with Heiner Schumacher (R&R at Theoretical Economics)

We study a principal-agent framework in which the agent forms beliefs based on a misspecified subjective model of the principal's project. She fits this model to the objective probability distribution to predict output under alternative actions. Misspecifications in the subjective model may lead to biased beliefs. However, under mild restrictions, the agent has correct beliefs on the equilibrium path so that the optimal contract is non-exploitative. This allows for a behavioral version of the informativeness principle: The optimal contract conditions on an additional variable only if it is informative about the action according to the agent's subjective model. We further characterize when misspecifications affect the optimal contract. One implication of this characterization is that the scope for belief biases depends on the agent's job, e.g., her position in the hierarchy.

Other Papers:

"Strategic Interpretation", joint with Kfir Eliaz and Ran Spiegler (Forthcoming at Journal of Economic Theory)

We study strategic communication when the sender's multidimensional messages are given an interpretation by the sender himself or by a proxy. Interpreting messages involves the provision of some data about their statistical state dependence. The receiver can only use this data to decipher messages. In this way, strategic interpretation of messages can influence the receiver's understanding of their equilibrium meaning. We show that in a two-action, two-state setting, the sender can attain his first-best payoff when the prior on one state exceeds a threshold that decays quickly with message dimensionality. We examine the result's robustness to the critique that the receiver may attempt to draw inferences from the selective interpretation itself.

"Persuasion with Endogenous Misspecified Beliefs", joint with Kfir Eliaz and Ran Spiegler (2020) – a follow-up note to "Strategic Interpretations".

"Correlation Neglect as a Commitment Device" (2018)

We study the strategic transmission of information from two informed senders to an uninformed receiver. The senders, whose preferences are perfectly aligned can send correlated, binary, pay-off irrelevant messages. The receiver observes the messages and takes an action that affects the pay-off of all the agents. The receiver understands the informational content of the individual messages, but not their correlation. Compared to the rational benchmark the receiver's inability to infer the correlation between messages expands the range of disagreement for which information transmission can take place. The receiver strictly prefers to suffer from correlation neglect.

RESEARCH IN PROGRESS:

"Subjective Causality", joint with Andrew Ellis

We analyze the stochastic choices of an agent who evaluate lotteries using her subjective causal model. In general, the agent's choices will not satisfy regularity, as the agent's choice frequencies in might influence the agent's evaluating of lotteries in the menu. We identify the agent's subjective causal model based on her choices.

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"Fixed or Flexible Election Structure?"

In many western democracies the Prime Minister have the option to call for an early election. We adapt Rogoff (1990)'s model of political budget cycles to allow for early elections and study the consequences in this framework when the PM can call for early elections.

"Policy Delays and Information Generation with Competing Experts", joint with Clement Minaudier

The ability to uncover evidence over time can influence the duration of policy making. We consider a model where two competing experts can sequentially uncover hard evidence and choose whether to disclose it to a policy maker. We study how their decision to disclose evidence depends on the policy maker's valuation of the status quo and on the time, it takes to uncover evidence. We show in an example that competition can lead an expert to stop generating evidence early.