My research interests lie primarily in the area of mechanism and market design. In particular, I study the reasons for which asymmetric information is revealed or not in a variety of market settings. For example, I am currently studying art auctions in which auctioneers simultaneously provide information (value estimates) and withhold it (reserve prices). I also seek to explicitly model the informational role of third-party market-making intermediaries who interact with both buyers and sellers. Since my models are rooted in examples of mechanisms found in practice, my theoretical findings may produce new insights that are both readily applicable and easily mapped to empirical evidence.

Auctions are used to uncover the unknown demand of potential buyers. It is paradoxical, then, for an auctioneer to tell buyers how much they should bid on an object, but this is precisely what major auction houses such as Sotheby’s and Christie’s do when they provide bidders with pre-sale estimates of the winning bids for works of art. In my job market paper, I consider the incentives of an auctioneer to reveal her internal estimates in this manner. In the existing literature, information disclosure of this kind has been studied in the context of single good models. Consequently, the justification of revelatory policies has required a departure from the standard independent private values model and the imposition of restrictive distributional assumptions. Instead, I take a novel approach to the seller’s disclosure problem by considering a model of multiple goods in which buyers must choose on which goods they will submit bids. When buyers are faced with a choice between goods, they will use information provided by the seller to sort themselves between the auctions. By analyzing the buyers’ sorting equilibrium, I am able to show that the auctioneer maximizes her revenues with a moderate disclosure policy in which she neither withholds nor reveals all of her information to the bidders. In a similar vein, I am currently investigating the differential effects of secret versus public reserve prices on bidder participation in auctions and the resulting revenues.

Moving forward, a primary goal of mine is to model a richer, more realistic mechanism design framework by incorporating the role of market-making intermediaries. With rare exception, the literature on mechanism design conflate the roles of seller (or, in cases of procurement, buyer) and mechanism designer. In reality, however, there are many contexts – art auctions, financial markets, and headhunting just to name a few – in which a third-party player (who neither sells nor purchases the object directly) dictates the terms of trade. Market makers often have expert knowledge that is of potential interest to both sellers and buyers. As such, intermediaries introduce multidirectional asymmetries of information not found in standard models of direct interaction between buyers and sellers. I plan to develop a theory of intermediaries that will allow me to explore questions such as how an intermediary optimally balances the opposing incentives of buyers and sellers. Such a framework is perhaps best suited to providing us with a better understanding of online marketplaces in which the intermediaries dwarf both buyers and sellers in size and influence.