MARIA DOLORES PALACIOS

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EDUCATION

Ph.D., Economics, Boston University, Boston MA, May 2019
   Dissertation Title: *Incentives, selection, prices and compensation*
   Dissertation Committee: Kevin Lang, Marc Rysman, Andrew F. Newman

M.A., Political Economy, Boston University, Boston MA, 2014

B.A., Economics *(GPA 97/100)*, Universidad Iberoamericana,
   Mexico D.F., 2009

FIELDS OF INTEREST

Labor Economics, Industrial Organization, Organizational Economics, Econometrics

WORKING PAPERS

"Price Setting and Multitasking by Sales Agents: Evidence from a Contract Change,"
   (job market paper), November 2019.
"The Determinants of Teachers' Occupational Choice," (with Kevin Lang), October 2019.
"Relationships as an Incentive and Price Discriminating Tool," August 2018.

CONFERENCES AND PRESENTATIONS

Markets and Organizations in Emerging Economies, Kellog School of Management,
   Evanston IL 2018 (discussant)
The Northeast Universities Development Consortium (NEUDC) Conference, Medford MA
   2017
15th Annual International Industrial Organization Conference, Boston MA 2017
Cowles Foundation Conference on Structural Microeconomics, New Haven CT 2017 (paper
   presented by coauthor)
The 3rd Annual Empirical Microeconomics Workshop, Banff Alberta Canada 2016 (poster)
Empirical Analysis of Markets with Asymmetric Information, Summer School organized by
   the University of Mannheim, Germany 2015

HONORS AND AWARDS

Invited to participate in the 6th Lindau Meeting on Economic Sciences, Lindau Germany 2017
Best Second Year Paper prize, Boston University, 2014
Summer Research Grant, Boston University, 2014

WORK EXPERIENCE

ACADEMIC

Research Assistant for Professor Kevin Lang, Department of Economics,
  Boston University, January 2015-August 2018

Research Assistant for Professor Patricia Cortes, Questrom School of Business,
  Boston University, Spring 2015

Research Assistant for Professor Ivan Fernandez-Val, Department of Economics,
  Boston University, Spring 2014

Research Assistant for Professor Julia Hirsch, Department of Economics,
  Universidad Iberoamericana, Mexico, Fall 2008

NON-ACADEMIC

Associate, Analysis Group, August 2018-Present

Research Analyst for Dr. Guillermo Ortiz, Grupo Financiero Banorte, Mexico,
  April 2010-May 2012

Public Finances Analyst, Evercore Partners, Mexico, April 2009-April 2010

REFEREE EXPERIENCE

The Journal of Labor Economics

TEACHING EXPERIENCE

Teaching Assistant, Introduction to Macroeconomics, Department of Economics,
  Boston University, Fall 2013, Spring and Fall 2014

Teaching Assistant, Intermediate Microeconomics, Department of Economics,
  Universidad Iberoamericana, Fall 2006 and Spring 2007

Teaching Assistant, Introduction to Macroeconomics, Department of Economics,
  Universidad Iberoamericana, Fall 2006 and Spring 2007

LANGUAGES

Fluent in English, Spanish and French. Basic Italian

COMPUTER SKILLS

STATA, MATLAB, R, Parallel Computing, LaTeX

CITIZENSHIP/VISA STATUS

Mexican and Spanish/U.S. Permanent Resident

REFERENCES

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MARIA DOLORES PALACIOS

Price Setting and Multitasking by Sales Agents: Evidence from a Contract Change
(Job Market Paper)

I study price setting behavior by sales agents of an electrical wholesale company following the change of their compensation contract. Originally, agents received a fixed share of the revenues from their sales. Under the new scheme, agent's commission rates increase with the price-cost margin of the sale. This contract creates a multitasking conflict among products historically sold with different margins. Employees of the firm decide how much effort to allocate to the sale each good and can modify prices by offering discounts. A simple multitasking principal-agent model predicts that, even when incentives increase for all products, if efforts across goods are substitutes for the agent, the new scheme will increase price and effort of the more-compensated goods at the expense of price and effort of the less-compensated goods. The reform was enacted at different times in different stores, enabling measurement of its impact by difference-in-differences. Commissions on 95% of goods increase but sales employees do not raise prices on all these products. Despite the stronger financial incentives, the price of 18% of goods decreases and increases for the rest, suggesting employees reallocate effort among products. These changes are exacerbated when products are bundled together, but exist for sales of a single item, suggesting additional effect beyond gaming.

The Determinants of Teachers' Occupational Choice
(with Kevin Lang)

We examine the appropriate fit of a dynamic optimization model with an application to teacher earning structure. To do so, we adjust the specification of the model by varying the unobserved heterogeneity in individuals' preferences and earnings. We find that even a model with no unobserved heterogeneity fits well within sample. Testing formally selects models with substantial unobserved heterogeneity, suggesting that relying on in-sample fit is problematic. In the application to teacher earnings, we show that a reform that adjusts teacher compensation to mimic the return to skills and riskiness of the non-teaching sector would be expensive and challenging; overall compensation in teaching would increase, but the majority of current teachers would be made worse off. Importantly, these conclusions are sensitive to the degree of heterogeneity allowed in the model.

Relationships as an Incentive and Price Discriminating Tool

I explore the importance of employee-customer relationships as an incentive and price discriminating tool. The model assumes that customers differ in their valuations and on their probability of returning. The distribution of valuations and the probability of returning are known, and in each interaction the sales agent exerts effort to learn the customer's valuation. The agent earns a commission based on the client's payment and has full pricing flexibility. The two main insights are, first that when the valuation is unknown, effort is increasing in the probability of returning. Second, that a commission raise increases the learning speed, and under certain conditions the learning speed on customers with higher q's increases more. Average prices should be increasing in effort. Using administrative data from an electrical wholesale company, I show that the data supports the theoretical insights.

November 2019