

# Felix Montag

Munich Graduate School of Economics

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**Primary Field:** Industrial Organization  
**Secondary Fields:** Applied Econometrics, International Economics, Public Economics

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## REFERENCES

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## EDUCATION

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2017 – 2022	Ph.D. Economics	LMU Munich
2016 – 2017	M.Res. Economics	University College London
2014 – 2015	M.Sc. Economics & Management	London School of Economics
2010 – 2013	B.Sc. Economics	LMU Munich

## RESEARCH VISITS

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Sep – Dec 2019	Stanford Graduate School of Business	Host: Ali Yurukoglu
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## JOB MARKET PAPER

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**Mergers, Foreign Entry, and Jobs: Evidence from the U.S. Appliance Industry.** Find latest version [here](#).  
*2021 Econ Job Market Best Paper Award by Unicredit Foundation & European Economic Association*

Proponents of industrial policy argue that merger control should consider domestic employment. I propose a model to assess how a product market merger affects rival product entry, consumer welfare, and domestic employment. Firms endogenously decide which products to offer. Domestic jobs depend on production locations and equilibrium quantities in the product market. I estimate the structural parameters of this model for the U.S. home appliance industry. Using the structural model, I examine the impact of Whirlpool's acquisition of Maytag and compare it to the impact of a counterfactual acquisition by a foreign buyer with no prior presence in the U.S. market. Four key findings emerge from the comparison of these two acquisitions: First, rival product entry is mostly independent of the acquirer. Second, a Whirlpool acquisition leads to the removal of more merging party products. Third, it always leads to lower consumer welfare. Fourth, a Whirlpool acquisition leads to a smaller decrease in U.S. employment. I use these results to estimate the job value necessary for domestic employment effects to offset consumer welfare losses.

## OTHER WORKING PAPERS

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**Does tax policy work when consumers have imperfect price information? Theory and evidence** (with Alina Sagimuldina and Monika Schnitzer, LMU Munich), *CESifo Working Paper No. 9138*.

We investigate how the pass-through rate of commodity taxes depends on competition in a setting where consumers have imperfect information about prices. We use a theoretical search model that has two key predictions: First, the larger the number of price sensitive consumers, the higher the pass-through rate. Second, there is a hump-shaped relationship between the average pass-through experienced by consumers and the number of sellers. We test our theoretical predictions by studying pass-through in the context of a tax decrease and increase in the German retail fuel market. We estimate pass-through of these tax changes to diesel and gasoline prices using a unique dataset containing the universe of price changes at fuel stations in Germany and France and a synthetic difference-in-differences strategy. Our empirical results are in line with our theoretical predictions. Finally, we show that our theoretical framework can encompass and reconcile a large number of empirical observations in previous studies.

**Whom to inform about prices? Evidence from the German fuel market** (with Alina Sagimuldina and Christoph Winter, LMU Munich).

When is informing consumers about prices most effective at increasing competition? We combine a theoretical model of imperfect information with empirical evidence to show how the effect of informing consumers about prices depends on how well informed they are ex ante. Theoretically, an increase in consumer information decreases prices more the fewer ex ante informed consumers there are. Empirically, we study the introduction of mandatory price disclosure in the German fuel market separately for two fuel types that differ in how informed consumers are ex ante. For each fuel type, we use a difference-in-differences design and the universe of station-level prices in Germany and France. In line with the theory, the decline in prices was stronger for fuel type with ex ante less informed consumers. We also show that the treatment effect declines over time and is intensified by local follow-on information campaigns.

## WORK IN PROGRESS

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**The Evolution of Market Power in the U.S. Appliance Industry** (with Ali Yurukoglu, Stanford University).

**Learning by hosting: What can platforms gain from third-party data?** (with Maximilian Schader, LMU Munich).

## PRESENTATIONS

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2021	CRC 190 Retreat (Schwanenwerder, online), CRC Summer School on Science-Based Policy Advice (online), LMU Innovation Seminar (Munich), IIPF Annual Congress (Reykjavik, online), EARIE Annual Conference (Bergen, online), EDGE Jamboree (online), Consumer Search Digital Seminar Series (online), Franco-German Fiscal Policy Seminar (scheduled, Paris)
2019	IO Student Workshop (Stanford), CEPR/JIE School on Applied IO (Madrid), EARIE Annual Conference (Barcelona), MaCCI Annual Conference (Mannheim), RGS Doctoral Conference (Bochum)
2018	29th Jerusalem School in Economic Theory (poster, Jerusalem), LMU IO & Trade Seminar (Munich)

## POLICY CONTRIBUTIONS

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**VAT reduction as unconventional fiscal policy in Germany: Fast but heterogeneous pass-through in the fuel market** (with Alina Sagimuldina and Monika Schnitzer, LMU Munich), *voxEU*, 2020.

**Preserving Contestability in the Data Economy** (with Monika Schnitzer, LMU Munich), *Competition Law and Policy Debate*, 5(2): 55-65, 2019.

## SELECTED MEDIA COVERAGE OF MY RESEARCH

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Frankfurter Allgemeine Zeitung (08/2020; 06/2021), Süddeutsche Zeitung (08/2020), Berliner Morgenpost (08/2020), Het Financieele Dagblad (09/2020), Handelsblatt (09/2020).

## TEACHING

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2021	Seminar <i>Competition &amp; Trade Policy in a Globalized World</i>	Organizer
2021	Seminar <i>Competition Policy in the Digital Era</i>	Organizer
2017–2021	Tutorial <i>Microeconomics I</i>	Instructor
2018	Seminar <i>Microeconomics of the Knowledge Economy</i>	Teaching Assistant
2018–2021	5 Bachelor and 1 Master theses	Supervisor

## SERVICE TO THE PROFESSION

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Conference Organization: BYEM Summer Meeting, 1–2 July 2021, online (Co-Organizer)  
Journal Referee: *Canadian Journal of Economics, Journal of Economic Behavior and Organization*

## HONOURS AND GRANTS

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2021	Econ Job Market Best Paper Award by the Unicredit Foundation and the European Economic Association
2020–	Member of the Collaborative Research Center Transregio 190 “Rationality and Competition” by the German Science Foundation (DFG)
2020	Participant at the 7th Lindau Nobel Meeting on Economics (postponed to 2022)
2019	Travel grant for the NBER Young Scholars Workshop on the Economics of AI
2018	Travel grant for the Jerusalem School of Economic Theory
2017–	Member of the International Doctoral Program “Evidence-Based Economics” funded by the Elite Network of Bavaria
2016–2017	WM Gorman Scholarship for the M.Res. Economics at the University College London

## WORK EXPERIENCE

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2015–2016 Senior Analyst, Compass Lexecon (Economic Consultancy), Brussels

## TECHNICAL SKILLS

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Julia,  $\LaTeX$ , Matlab, Python, R, and Stata

## LANGUAGES

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German, French, and English

Last updated: November 8, 2021