

# Agathe Pernoud

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## PERSONAL DETAILS

Department of Economics  
Stanford University  
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## EDUCATION

**Ph.D. in Economics**, Stanford University June 2023 (Expected)  
**M.Phil. in Economics**, Paris School of Economics (*Summa Cum Laude*) 2015 – 2017  
**B.A. in Political Science and Economics**, Sciences Po (*Cum Laude*) 2012 – 2015  
Exchange Program, Massachusetts Institute of Technology 2014 – 2015

## REFERENCES

[Matthew O. Jackson](#) (primary advisor)  
Dept. of Economics, Stanford University  
[jacksonm@stanford.edu](mailto:jacksonm@stanford.edu)

[Mohammad Akbarpour](#)  
Stanford Graduate School of Business  
[mohamwad@stanford.edu](mailto:mohamwad@stanford.edu)

[Paul R. Milgrom](#)  
Dept. of Economics, Stanford University  
[milgrom@stanford.edu](mailto:milgrom@stanford.edu)

## RESEARCH AND TEACHING FIELDS

Microeconomic Theory, Market Design  
Financial Economics, Financial Networks

## WORKING PAPERS

**“How Competition Shapes Information in Auctions”** with Simon Gleyze

### *Job Market Paper*

We consider auctions where buyers can acquire costly information about their valuations and those of others, and investigate how competition between buyers shapes their learning incentives. In equilibrium, buyers find it cost-efficient to acquire some information about their competitors so as to only learn their valuations when they have a fair chance of winning. We show that such learning incentives make competition between buyers less effective: losing buyers often fail to learn their valuations precisely and, as a result, compete less aggressively for the good. This depresses revenue, which remains bounded away from what the standard model with exogenous information predicts, even when information costs are negligible. It also undermines price discovery. Finally, we examine the implications for auction design. First, setting an optimal reserve price is more valuable than attracting an extra buyer, which contrasts with the seminal result of Bulow and Klemperer (1996). Second, the seller can incentivize buyers to learn their valuations, hence restoring effective competition, by maintaining uncertainty over the set of auction participants.

**“Informationally Simple Incentives”** with Simon Gleyze

### *Forthcoming, Journal of Political Economy*

We consider a mechanism design setting in which agents can acquire costly information on their preferences as well as others'. A mechanism is *informationally simple* if agents have no incentive to learn about others' preferences. This property is of interest for two reasons: First, it is a necessary condition for the existence of dominant strategy equilibria in the extended game. Second, this endogenizes an “independent private value” property of the interim information structure. We show that, generically, a mechanism is informationally simple if and only if it satisfies a separability condition that rules out most economically meaningful mechanisms.

**“Credit Freezes, Equilibrium Multiplicity and Optimal Bailouts in Financial Networks”** with Matthew Jackson

### *Revise and Resubmit, Review of Financial Studies*

We analyze how interdependencies in financial networks can lead to self-fulfilling insolvencies and multiple possible equilibrium outcomes. We show that multiplicity arises if and only if there exists a certain type of dependency cycle in the network, and characterize banks' solvency in

any equilibrium. We use this analysis to understand how to inject capital into banks so as to ensure solvency of all at minimum cost. We show that finding the cheapest bailout policy that prevents self-fulfilling insolvencies is computationally hard (and hard to approximate), but that the problem has intuitive solutions in specific network structures. Bailouts have an indirect value as making a bank solvent improves its creditors' balance sheets and reduces their bailout costs, and we show how a simple algorithm that leverages these indirect benefits ensures systemic solvency at a total cost that never exceeds half of the total overall shortfall. In core-periphery networks, indirect bailouts—whereby the regulator bails out peripheral banks first as opposed to targeting core banks directly—are optimal.

**“Investment Incentives and Regulation in Financial Networks”** with Matthew Jackson

In a model of financial networks that admits both debt and equity interdependencies, we show that financial organizations have incentives to choose excessively risky portfolios, and overly correlate their portfolios with those of their counterparties. We show how optimal regulation differs as a function of an organization's financial centrality and its available investment opportunities. We discover that optimal regulation depends non-monotonically on the correlation of banks' investments, with maximal restrictions for intermediate levels of correlation. Moreover, in standard core-periphery networks it can be uniquely optimal to treat banks asymmetrically: restricting the investments of one core bank while allowing an otherwise identical core bank (in all aspects, including in network centrality) to invest freely.

**“The Value of Model Misspecification in Communication”** with Simon Gleyze

How do subjective models of the world affect communication? In this paper, we argue that holding a misspecified model can have value in strategic communication. We introduce a cheap-talk game in which Receiver faces uncertainty on models, i.e., which variables cause some outcome of interest, as well as uncertainty on states, i.e., the realization of these variables. First, we show that holding a simple, monocausal model can increase the informativeness of equilibrium communication on states. The intuition is that monocausal models reduce the number of individually rational actions for Receiver, which limits the extent of information manipulation in equilibrium. Then, we show that a Principal who is informed of the true model benefits from delegating decision-making to a Receiver who holds a monocausal model, even if such a model is misspecified.

WORK IN PROGRESS “Culture, Norms, and Systemic Corruption” with Daron Acemoglu and Matthew Jackson

PUBLISHED PAPERS **“Systemic Risk in Financial Networks: A Survey”** with Matthew Jackson, *Annual Review of Economics*, Vol. 13:171-202, 2021

RELEVANT POSITIONS	<p><b>Department of Economics, Stanford University</b> 2018 – 2019          Research Assistant for Matthew Jackson</p> <p><b>CREST</b> Summer 2016          Research Assistant for Bruno Crepon</p> <p><b>Paris School of Economics</b> Winter 2016          Research Assistant for Karen Macours</p> <p><b>Department of Economics, MIT</b> Spring 2015          Research Assistant for David Autor</p>
TEACHING EXPERIENCE	<p><b>Department of Economics, Stanford University</b></p> <p>Teaching Assistant for Robert Leeson, Econ 111 (Money and Banking) Summer 2020</p> <p>Teaching Assistant for Jeremy Bulow, Econ 135 (Finance for Non-MBAs) Spring 2020</p> <p>Teaching Assistant for Paul Milgrom, Econ 136 (Market Design) Winter 2020</p>

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AWARDS & FELLOWSHIPS	E.S. Shaw and B.F. Haley Fellowship for Economics, SIEPR	2022 – 2023
	Gerald J. Lieberman Fellowship, Stanford University	2021 – 2022
	Ric Weiland Graduate Fellowship, Stanford University	2020 – 2022
	7th Lindau Nobel Laureate Meeting on Economic Sciences	2020
	Outstanding Teaching Assistant Award, Stanford University	2020
	Sean Buckley Memorial Award for Best 2nd Year Paper, Stanford University, Economics Department & SIEPR	2019
	Economics Department Fellowship, Stanford University	2017 – 2018
REFEREEING	<i>Games and Economic Behavior; Management Science; Mathematical Finance; Mathematical Social Sciences; Nature Communications; Review of Economic Studies; Review of Economics and Statistics; Theoretical Economics</i>	
PROFESSIONAL ACTIVITIES	Graduate Student Committee member, Stanford University, Economics Dept.	2021 – 2022
	TA Coordinator, Stanford University, Economics Dept.	2020 – 2021
	Committee Leader, WE RISE Student Association, Stanford University	2019 – 2021
INVITED TALKS	IMSI Workshop on Systemic Risk and Stress Testing (Chicago); Guest Lecturer in ECON 7540 Economics of Networks (Cornell University)	2022
	University of Cambridge INET Networks Webinar	2021
	Oxford Theory Seminar; CREST Internal Microeconomics Seminar (ENSAE- Ecole Polytechnique); Royal Bank of Canada Internal Seminar	2020
CONFERENCE PRESENTATIONS	SAET Conference (virtual Canberra), SIAM Annual Meeting (virtual Philadelphia);	2022
	Fed Conference on the Interconnectedness of Financial Systems (virtual Washington);	2021
	SEA 91st Annual Meeting (Houston); INFORMS Annual Meeting (virtual Anaheim);	
	INET Networks Conference (virtual Cambridge); NSF/CEME Decentralization Conference (virtual Pittsburgh)	
	ASSA meeting (San Diego)	2020
	EEA/ESEM (Manchester), Conference on Network Science in Economics (Bloomington)	2019
LANGUAGES	English (fluent), French (native)	