

Florian Hoffmann



Academic career

2010	PhD in Economics (summa cum laude), Goethe University Frankfurt
2010 - 2011	Visiting researcher, Princeton University, Bendheim Center for Finance, NJ, USA
2011 - 2014	Postdoc, Goethe University Frankfurt
Since 2014	Junior Professor of Economics, University of Bonn

Research Projects and Activities

DFG Collaborative Research Center SFB/TR 224 “Economic Perspectives on Societal Challenges: Equality of Opportunity, Market Regulation, and Financial Stability”, Project leader of the project “Strategic information disclosure”

Research profile

My research focusses on dynamic incentive problems and strategic information disclosure, with applications to corporate finance, industrial organization and regulation. A large part of my research is concerned with the structure of optimal long-term contracts in repeated principal-agent relationships. Here I have analyzed a class of continuous-time hidden-action setups in which it is optimal to tie the agent's compensation to observable and purely exogenous shocks. Further, I have worked on how to optimally structure incentives in dynamic multi-task settings, and in models with persistent moral hazard, where the agent's actions have long-lasting, not immediately observable effects. The other main part of my research considers problems of strategic disclosure of horizontal match information. Here I have worked on (i) the optimal use of information as a tool for price discrimination, (ii) the privately and socially optimal provision of contract cancellation rights in market environments with consumer experimentation and (iii) equilibrium persuasion through selective disclosure.

In future research I plan to study the economic forces shaping the strategic disclosure of private information over time, i.e., how strategic senders, such as firms or political campaigners, optimally manage the flow of information to receivers, like consumers or voters, in order to achieve their goals, such as increasing sales or winning elections. In particular, I seek to identify the inefficiencies that strategically delayed information disclosure involves, to determine the value of committing to an optimal disclosure strategy and to analyze the scope for regulatory intervention. Further, I plan to study optimal contracts in repeated moral hazard problems when the agent cannot be incentivized using monetary payments, as is e.g. the case in local politics, honorary office or non-profit organizations. Moreover, I am also planning to extend my current work on persistent moral hazard by adding financial contracting frictions. This would allow to analyze whether the optimality of debt extends to such a dynamic setting and to develop a theory of optimal debt maturity.

Research Area I One of my main research interests is the study of dynamic incentive problems, in particular the impact of different aspects of persistence on the structure of optimal long-term contracts in repeated principal-agent relationships. Here I have worked on dynamic hidden action settings with persistent exogenous performance shocks [3] as well as, in ongoing work, on models of persistent moral hazard in which the agent's current actions affect future outcomes. I have further used mechanism design techniques to study the specific features of costly pre-sale information provision as a tool for price discrimination in sequential screening [2], as well as the optimal design of pollution taxes when firms are financially constrained [1].

Selected publications

- [1] Florian Hoffmann, Roman Inderst, and Ulf Moslener. Taxing externalities under financing constraints. *The Economic Journal*, pages n/a–n/a, 2016.
- [2] Florian Hoffmann and Roman Inderst. Pre-sale information. *J. Econom. Theory*, 146(6):2333–2355, 2011.
- [3] Florian Hoffmann and Sebastian Pfeil. Reward for luck in a dynamic agency model. *Review of Financial Studies*, 23(9):3329–3345, 2010.