

***Collateral, Reallocation, and Aggregate Productivity: Evidence from the U.S. Housing Boom***  
**Sebastian Doerr**

This paper documents that rising real estate prices reduce industry productivity, because they lead to a reallocation of capital and labor towards inefficient firms. The author constructs real estate holdings for a large sample of listed US firms from 1993 to 2008 and shows that an increase in real estate value relaxes collateral constraints, in line with previous work, and that additional funds are used to hire labor and increase output. Crucially, the author documents that firms holding real estate are significantly less productive than non-holders, which reduces aggregate industry productivity. In particular, the data indicate that a 10 % increase in real estate value lowers TFP growth by 0.62 %, and effect driven by misallocation of capital. To shed light on the role of financial sector, the author shows that banks with superior information about borrowers are better at identifying productive borrowers and supply less credit to unproductive firms when collateral values rise. This paper offers valuable evidence on the misallocation of capital created by real estate booms in the presence of financial frictions that make collateral important for borrowing. The evidence of productivity losses due to growing real estate collateral is novel and policy relevant for thinking about the real effects of real estate bubbles.

***Happily Ever After: Immigration, Natives' Marriage, and Fertility***  
**Michela Carlana and Marco Tabellini**

This creative and valuable piece studies an interesting and highly policy relevant question: the social effects of immigration, with particular focus on natives' marriage and fertility patterns. The authors study this question using historical data across US cities between 1910 and 1930, a period during which millions of Europeans settled in US cities. The authors instrument immigrants' location decision by interacting pre-existing ethnic settlements with aggregate migration flows. The analysis starts by showing that immigration raised marriage rates, the probability of having children, and the propensity to leave the parental house for young native men and women. The authors next ask: what caused these patterns? They offer evidence indicating that these effects were driven by the large and positive impact of immigration on native men's employment and occupational standing, which increased the supply of "marriageable men". By contrast, the effect of alternative mechanisms such as changes in sex ratios, natives' cultural responses, and displacement effects of immigrants on female employment seems rather small in the data. The paper offers a novel perspective on the effects of immigration, focusing on natives' family outcomes as opposed to the labor-market, housing-market, public-services and political outcomes typically studied by the literature. The empirical analysis is well conducted. Overall, the paper is a significant contribution.

## ***How Strategic are Political Activists? Evidence From a Natural Field Experiment***

**Lukas Hensel, Johannes Hermle, Anselm Rink and Christopher Roth**

This paper asks whether political activists' effort choices depend on their beliefs about the effort of their peers and how they do so. To shed light on this issue, the authors present evidence from a field experiment in a Western European country which randomizes among party members the provision of true information about intentions of other party members to contribute to the party's campaign. The data show that the information successfully shifted supporters' self-stated intentions to help in the door-to-door campaign as well as their actual canvassing effort. Specifically, the authors find that activists who learn that fellow party members engage in more canvassing than they thought reduce their canvassing activities. Effects are particularly large among first-time canvassers, suggesting that informational treatments work more strongly among inexperienced party members. In sum, the authors find that political activists' effort choices exhibit strategic substitutability. This is a clever field experiment answering an important question on political participation. The presence of a free riding effect is novel, as several other studies have instead documented in different settings the importance of positive spillovers coming from peer effects. Thus, this paper offers valuable evidence on the mechanisms of political participation.