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Presentation Title

Manipulation of Attractiveness in Two-Sided Stable Matches

Abstract

While most research on strategic manipulation in two-sided matching markets has focused on agents' incentives to misreport their own preferences, little attention has been given to their incentives to manipulate preferences from agents on the other side of the market. This paper fills this gap by showing that in two sided stable matching mechanisms in which colleges are not fully allowed to express their true preferences over students, colleges have incentives to reduce their attractiveness among unprofitable students. We identify at least two scenarios in which such behavior is expected to occur: when colleges share the same legal preferences over students, or when the market is sufficiently large. This contrasts with previous results from the literature that would predict that colleges' incentives to reduce their quality for a subset of unprofitable students should disappear in large stable matching markets. The results from this paper thus highlight the importance of the imposition of regulatory policies that not only prevent schools from giving low priority to less profitable students in the admission process, but also prevent them from discouraging the application of those students.

Keywords

Matching, Stability, Manipulation, Discrimination

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