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Presentation Title
Competitive Equilibria in Matching Models with Financial Constraints
(with P. Jean-Jacques Herings)

Abstract
We consider the matching with contracts model in which buyers face financial constraints. In this model a competitive equilibrium may fail to exist. We propose a new equilibrium notion, quantity-constrained competitive equilibrium (QCCE) that allows buyers to form expectations on the lack of supply of trades for which their financial constraints are binding. We show the existence of QCCEs and establish the equivalence between QCCE outcomes, stable outcomes, and core outcomes. We also examine the existence of QCCEs with uniform prices and analyze other properties of QCCEs such as the lattice property and the weak rural hospital theorem.

Keywords
Financial constraints, matching with contracts, quantity-constrained competitive equilibrium, stable outcome, core outcome, equivalence result, lattice property, the weak rural hospital theorem.

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