

# Seminario de Microeconomía Aplicada - Mergers, Foreign Competition, and Jobs: Evidence from the U.S. Appliance Industry

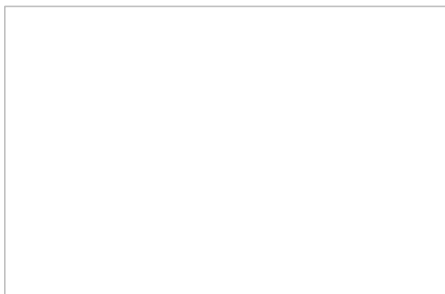
## Seminarios y talleres

El seminario de Microeconomía Aplicada del Banco de la República es un espacio para discutir trabajos en progreso en las diferentes áreas de la microeconomía aplicada como economía laboral, organización industrial, economía de la salud, economía agrícola, economía de la educación, desarrollo económico, crimen, economía pública, medio ambiente, economía regional y urbana, entre otras.

**Felix Montag:** is an Assistant Professor in Economics at the Tuck School of Business at Dartmouth College, as well as an Affiliate Fellow at the George J. Stigler Center for the Study of the Economy and the State at the University of Chicago Booth School of Business. His primary field is industrial organization. Most of his work studies questions at the intersection with adjacent fields, such as public economics, international trade, or labor economics.

**Resumen del documento:** Policy choices often entail trade-offs between workers and consumers. I assess how foreign competition changes the consumer welfare and domestic employment effects of a merger. I construct a model accounting for demand responses, endogenous product portfolios, and employment. I apply this model to the acquisition of Maytag by Whirlpool in the household appliance industry. I compare the observed acquisition to one with a foreign buyer. While a Whirlpool acquisition decreased consumer welfare by \$250 million, it led to 1,300 fewer domestic jobs lost. Jobs need to be worth above \$220,000 annually for domestic employment effects to offset consumer harm.

**Tiempo de exposición:** 1:30 p. m. a 2:30 p. m.



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