

Accepted Manuscript

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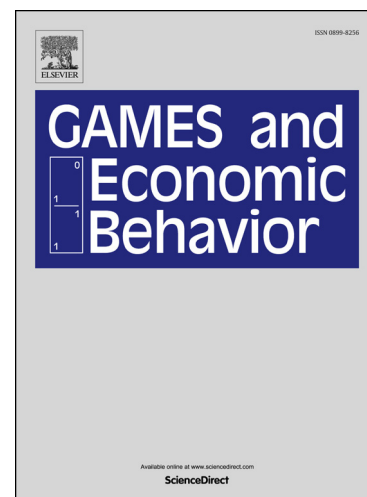
PII: S0899-8256(18)30021-6
DOI: <https://doi.org/10.1016/j.geb.2018.01.010>
Reference: YGAME 2828

To appear in: *Games and Economic Behavior*

Received date: 31 August 2016

Please cite this article in press as: Jagadeesan, R., et al. Strategy-Proofness of Worker-Optimal Matching with Continuously Transferable Utility. *Games Econ. Behav.* (2018), <https://doi.org/10.1016/j.geb.2018.01.010>

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Strategy-Proofness of Worker-Optimal Matching with Continuously Transferable Utility[☆]

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Abstract

We give a direct proof of one-sided strategy-proofness for worker–firm matching under continuously transferable utility. A new “Lone Wolf” theorem (Jagadeesan et al. (2017)) for settings with transferable utility allows us to adapt the method of proving one-sided strategy-proofness that is typically used in settings with discrete transfers.

Keywords: Matching, Strategy-proofness, Lone Wolf Theorem, Rural Hospitals Theorem, Mechanism design

JEL: C78, D44, D47, D82

1. Introduction

A key reason the Gale–Shapley (1962) deferred acceptance mechanism has been attractive for practical applications is *one-sided strategy-proofness*—the mechanism is dominant-

[☆]This research was conducted while Jagadeesan and Rheingans-Yoo were Economic Design Fellows at the Harvard Center of Mathematical Sciences and Applications (CMSA). The authors thank Vincent P. Crawford, John William Hatfield, Shengwu Li, Alvin E. Roth, Jan Christoph Schlegel, Alexander Teytelboym, the anonymous referees, and the editor, David K. Levine, for helpful comments. Jagadeesan gratefully acknowledges the support of a Harvard Mathematics Department travel grant. Kominers gratefully acknowledges the support of National Science Foundation grant SES-1459912 and the Ng Fund of the CMSA.

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