

Matching Search with Noisy Types

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We study a matching search model with asymmetry of information. Agents are divided into two types: high productivity and low productivity, which is a private information. Agents meet together randomly, and they imperfectly observe each other's type. If both accept the match, it becomes effective. We show that although in a pure strategy equilibrium, all the matches must be rejected, there are non-trivial mixed strategy equilibria where high productivity types are matched with positive probability.