Prof. Dr. Alexander Kriwoluzky

Frontier papers in Macroeconomics

Aim

This course aims at enabling students to conduct research in promising areas in macroeconomics. One area aims to identify the effects of fiscal and monetary policy using micro datasets. Another "hot" areas are macro and inequality.

In a first step, we read and discuss recent papers and some classics. The fruitful discussions and the intensive engagement with the topics should lead to the development of independent research ideas.

Time and Venue

Tuesday, 12 am - 2 pm, WebEx or Karl-Popper-room at DIW

Grading

We start by reviewing some recent papers, which deal with promising potential research topics. Each student will be asked to present one of the papers in class. The presentation will count for 30% of the grade. Participation in the following discussion will count for another 20%.

Students are asked to develop their own research ideas based on the in the second part of the class. The presentation of the research ideas will count for 20%, a 5 page summary of the research idea for 30% of the final grade.

Potential papers

Nice reads and introduction into modern macro methods

- Identification in macro: Nakamura and Steinsson (2018)

- Macro and Inequality: Ahn et al. (2018), Bilbiie (2019), Acharya and Dogra (2020)

Monetary policy and heterogeneity

- Estimated HANK model: Bayer et al. (2020), Auclert et al. (2020)

- Monetary policy and the role of heterogeneity: McKay et al. (2016), Auclert (2019), Kaplan et al. (2018), Auclert et al. (2018)

- Distributional effects of monetary policy: Lenza and Slacalek (2018), Coibion et al. (2017)

Fiscal policy and heterogeneity

- Marginal tax rates: Mertens and Olea (2018)

- Effects of fiscal policy: Jappelli and Pistaferri (2014), Hagedorn et al. (2019)

References

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Ahn, S., Kaplan, G., Moll, B., Winberry, T., and Wolf, C. (2018). When Inequality Matters for Macro and Macro Matters for Inequality. *NBER Macroeconomics Annual*.

Auclert, A. (2019). Monetary policy and the redistribution channel. *American Economic Review*.

Auclert, A., Rognlie, M., and Straub, L. (2018). The Intertemporal Keynesian Cross. *National Bureau of Economic Research*.

Auclert, A., Rognlie, M., and Straub, L. (2020). Micro Jumps, Macro Humps: Monetary Policy and Business Cycles in an Estimated HANK Model. Technical report.

Bayer, C., Born, B., and Luetticke, R. (2020). Shocks, Frictions, and Inequality in US Business Cycles. *CEPR Discussion Papers*.

Bilbiie, F. O. (2019). Monetary Policy and Heterogeneity: An Analytical Framework. *Mimeo*.

Coibion, O., Gorodnichenko, Y., Kueng, L., and Silvia, J. (2017). Innocent Bystanders? Monetary policy and inequality.

Hagedorn, M., Manovskii, I., and Mitman, K. (2019). The Fiscal Multiplier. *National Bureau of Economic Research*.

Jappelli, T. and Pistaferri, L. (2014). Fiscal policy and MPC heterogeneity. *American Economic Journal: Macroeconomics*.

Kaplan, G., Moll, B., and Violante, G. L. (2018). Monetary policy according to HANK.

Lenza, M. and Slacalek, J. (2018). How does monetary policy affect income and wealth inequality? Evidence from quantitative easing in the euro area. *Working Paper Series*.

McKay, A., Nakamura, E., and Steinsson, J. (2016). The power of forward guidance revisited. *American Economic Review*.

Mertens, K. and Olea, J. L. M. (2018). Marginal tax rates and income: New time series evidence. *Quarterly Journal of Economics*.

Nakamura, E. and Steinsson, J. (2018). Identification in Macroeconomics. *Journal of Economic Perspectives*.