

Firenze  
10<sup>th</sup> May 2000 (Albi - France)  
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# Ludovic Rousseau

## EDUCATION

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<b>Phd in economics, European University Institute</b> Supervisors: Alexander Ludwig, Alexander Monge-Naranjo Title: Household Risks, inequality, and public policy	<b>2023 - 2027</b>
<b>MSc in Economics, Ecole Normale Supérieure de Lyon</b>	<b>2021 - 2023</b>
<b>BSc in Economics, Clermont Auvergne University</b>	<b>2018 - 2021</b>

## WORK IN PROGRESS

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**Households' Expenditure Commitments: Formation, Adjustment to Income Shocks and aggregate demand** (Work in progress)

*Presented at:* 2nd year May Forum EUI, PSID Annual Users Conference 2025

*Abstract:* This project studies how households' fixed expenditure commitments affect their ability to adjust consumption after income shocks. Using PSID and Natwest account holder data, I show that higher-income and more stable households commit more, document who is committed and why, and assess how commitments shape adjustment margins. In an incomplete-markets framework, I replicate these empirical patterns by introducing two distinct motives for commitment: (i) as an insurance motive and (ii) a long-term investment motive. The model matches the data and allows me to quantify how commitment levels shape precautionary savings, adjustments to income shocks, and aggregated demands. The model matches the data and allows me to quantify how commitment levels shape precautionary savings, adjustments to income shocks, and aggregate demand. It also highlights when households become more exposed to risk and where targeted fiscal support can deliver strong welfare and stabilization benefits.

**Households' Expenditure risks** (Work in progress)

*Abstract:* This project documents how expenditure risk (ER), income risk (IR), and their interactions vary across the income distribution, household characteristics, and the composition of expenditure (durable vs. non-durable). Using the Making Ends Meet Survey (CFPB), I analyze how these risks shape precautionary saving behavior and households' exposure to financial fragility. Finally, I compare subsidies to private insurance with public insurance to identify which fiscal tools provide the strongest protection when private markets are incomplete.

**Intergenerational Income risks, joint with Andrej Mijakovic and Jan Mazza** (Work in progress)

*Abstract:* We study how imperfect intergenerational transmission of permanent income shapes wealth behavior. Using PSID parent-child links, we document that permanent-income risk across generations remains large, especially at the top of the distribution, helping explain high saving rates. We then develop a dynastic consumption-savings model with incomplete markets that replicates these patterns and shows how intergenerational income risk can generate high saving rates at the top. The framework highlights the key welfare and fiscal implications of this mechanism for taxation and the design of social insurance.

## POLICY

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**The electoral cost of inflation**, *Institut Avant Garde (IAG) – in French*

September 2025

**The provident state in the face of new crises**, *Institut Avant Garde (IAG) – in French*

January 2025

## TEACHING EXPERIENCE

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### **PhD Level – European University Institute**

Macroeconomics I — Teaching Assistant for Alexander Ludwig

2025

### **Graduate Level – École Normale Supérieure**

Advanced Macroeconomics

2021

Preparation for CPGE Oral Exams

2021

## SKILLS

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### **Programming**

Stata, R, Matlab, Julia, L<sup>A</sup>T<sub>E</sub>X, Markdown

### **Communication**

French (Native), English (C1), Spanish (intermediary), Italian (beginner)