

EUROPEAN UNIVERSITY INSTITUTE

Department of Economics  
European University Institute  
Villa La Fonte, Via delle Fontanelle 18  
50014 San Domenico di Fiesole (FI), Italy

Email: [andrej.mijakovic@eui.eu](mailto:andrej.mijakovic@eui.eu)  
Phone: +39 351 758 8189

Placement Officer: **Prof. Giancarlo Corsetti**  
[giancarlo.corsetti@eui.eu](mailto:giancarlo.corsetti@eui.eu) - (+39) 055 4685 867

Placement Administrative Officer: **Martina Zucca**  
[martina.zucca@eui.eu](mailto:martina.zucca@eui.eu) - (+39) 055 4685 982

EDUCATION

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2019 - Present    **PhD in Economics, European University Institute**  
Supervisors: Edouard Challe, Russell Cooper  
2022                **Visiting Student, New York University**  
Host: Simon Gilchrist  
2016 - 2017        **MSc in Economics, Barcelona Graduate School of Economics**  
2012 - 2016        **BSc in Economics, Vienna University of Economics and Business**  
Erasmus Exchange: Nova School of Business and Economics (2014-2015)

RESEARCH FIELDS

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Quantitative Macroeconomics, Household Finance, Income Inequality

REFERENCES

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<b>Prof. Edouard Challe</b>	<b>Prof. Russell Cooper</b>	<b>Prof. Simon Gilchrist</b>	<b>Prof. Ramon Marimon</b>
Paris School of Economics	European University Institute	New York University	Barcelona School of Economics
48 Boulevard Jourdan	Via delle Fontanelle 18	19 West 4th Street	C. de Ramon Trias Fargas 25-27
75014 Paris (France)	Fiesole, FI 50014 (Italy)	New York, NY, 10003 (USA)	08005 Barcelona (Spain)
<a href="mailto:edouard.challe@gmail.com">edouard.challe@gmail.com</a>	<a href="mailto:russell.cooper@eui.eu">russell.cooper@eui.eu</a>	<a href="mailto:sg40@nyu.edu">sg40@nyu.edu</a>	<a href="mailto:ramon.marimon@upf.edu">ramon.marimon@upf.edu</a>

JOB MARKET PAPER

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**Income Inequality and the Rise of Risky Capital**

*Abstract:* This paper shows that the rise in labor income inequality since the 1980s can jointly explain four prominent macro-finance trends: the rise in the wealth-to-income ratio and the share of risky assets in household portfolios, the decline in the risk-free interest rate, and the stability of the return to capital. I develop an incomplete markets model with endogenous portfolio choice that captures two salient dimensions of cross-sectional household savings heterogeneity: wealth-to-income ratios and risky asset shares are increasing in labor income. I show that higher income inequality raises asset demand, in particular for risky assets, and reallocates capital towards more productive firms, raising aggregate productivity. Whereas both the risk-free and the risky return decrease in response to higher income inequality, the weighted average return remains stable due to portfolio reallocation towards risky capital. The model predictions are validated by cross-country evidence showing that higher income inequality is associated with a larger share of risky assets and lower risk premia.

## WORKING PAPERS

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### **Marginal Propensities to Consume with Mental Accounting**

*Abstract:* The empirical literature studying marginal propensities to consume (MPCs) has identified a set of puzzles that are difficult to reconcile with traditional theories of consumption behaviour. This paper develops a model of dissaving-averse households, a behavioural feature consistent with mental accounting, that addresses several of these puzzles at once. The model generates low MPCs out of wealth, low MPCs out of income news, and high MPCs out of income gains for households that are not liquidity-constrained. Beyond that, the model also produces asymmetric MPCs, i.e. stronger consumption responses to income losses than to income gains. It does so irrespectively of the household's position in the wealth distribution or the degree of liquidity constraints, which is a distinctive feature of this class of models. In support of this prediction, I provide empirical evidence for the existence of broad-based MPC asymmetries. I show through the lens of a quantitative life-cycle model with mental accounting preferences that asymmetric MPCs dampen the effectiveness of redistributive fiscal policy.

### **The Macroeconomic Implications of Coholding, with M. Boutros**

*Abstract:* In the U.S., over 25% of households are coholders who simultaneously borrow on credit cards and hold cash. This generates rich marginal distributions of gross positions that underpin the distribution of net wealth often used to calibrate macroeconomic models. We show that, beyond constructing net wealth, gross positions of liquid assets and debt are important determinants of how households consume, save, and repay debt in response to income shocks. We build a model that generates aggregate distributions and household behavior in line with the data, and use it to study the implications of coholding for fiscal and monetary policy.

### **Domestic Inequality and Global Imbalances, with J. Mazza**

*Abstract:* We study how the within-country distribution of income affects the current account. We document that higher income inequality is associated with higher current account balances, especially in advanced economies. This relation is driven by inequality in the permanent rather than the transitory component of income, and domestic savings rather than investment. We rationalize the empirical findings through a two country heterogeneous agent model with non-homothetic preferences. The model generates increasing demand for savings across the distribution of permanent income, which, under international capital mobility, results in capital flows from unequal to equal countries. We use the model to analyze the effects of redistribution, financial liberalisation and cross-border financial integration.

### **Central Bank Communication and Media Coverage, with F. De Fiore, A. Maurin and D. Sandri**

*Abstract:* We analyse the role played by the media in channelling information about the monetary policy stance of the Federal Reserve to the public. We use large language models to assess the consistency between FOMC communication and media coverage over the period 1994-2023. We find a tight correspondence between the two but also detect considerable changes over time. The pass-through of FOMC communication to the media weakened considerably when interest rates reached the zero-lower bound after the global financial crisis and then improved with the introduction of post-FOMC press conferences, which now exert a particularly strong influence on the media. We also document a weaker communication pass-through at the beginning of a new Fed chair's tenure. Finally, we show that the media coverage influences households' inflation expectations, while we do not detect any association with the sentiment directly expressed in FOMC communication.

## WORK IN PROGRESS

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**Decomposing Cross-Country Trends in Income Inequality, with J. Mazza**

**Equity Duration and Monetary Policy Transmission, with J. Graeb**

## PUBLICATIONS

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**The Reliability of Equilibrium Exchange Rate Models: A Forecasting Perspective, with M. Ca'Zorzi, A. Cap and M. Rubaszek, International Journal of Central Banking, 2022**

## POLICY PUBLICATIONS

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**Services Trade Liberalisation and Global Imbalances: A Critical Review of the Empirical Evidence**, with *G. Georgiadis*, ECB Economic Bulletin Box, Vol. 5, 2019

## EMPLOYMENT

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2024	<b>Research Fellow – LUISS University</b>
2023	<b>Senior Associate – Bank for International Settlements</b>
2019 - 2021	<b>Research Analyst – European Central Bank (DG-I, IPA)</b>
2018 - 2019	<b>Trainee – European Central Bank (DG-I, IPA)</b>
2017 - 2018	<b>Policy Assistant/Trainee – European Commission (DG-ECFIN)</b>
2017	<b>Research Assistant – Banco Sabadell (Macro/Financial Markets Research)</b>
2016	<b>Intern – i5invest (Corporate Development and Mergers &amp; Acquisitions)</b>
2015 - 2016	<b>Intern – Raiffeisen Bank International (Mergers &amp; Acquisitions)</b>
2015	<b>Research Assistant – WU Institute for International Economics</b>
2015	<b>Intern – UBS ( Data &amp; Document Management, Accounting)</b>

## TEACHING EXPERIENCE

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### **PhD level – European University Institute**

2023	Macroeconomics II (New Keynesian) – Teaching Assistant for Edouard Challe
2023	Advanced Monetary Economics – Teaching Assistant for Edouard Challe
2021, 2023	Econometrics III (Time Series Analysis) – Teaching Assistant for Jesus Bueren

### **Graduate level – LUISS University**

2024	Asset Pricing – Teaching Assistant for Nicola Borri
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## PRESENTATIONS

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2024	European Central Bank – IPA Economic Meeting, London E1 Workshop in Quantitative Macroeconomics, RIEF Doctoral Meetings, Oslo Macro Meetings, European Economic Association, CEBRA
2023	European Central Bank – IPA Economic Meeting, Bank for International Settlements Research Seminar, Vigo Workshop on Dynamic Macroeconomics, European Economic Association, European Meeting of the Econometric Society, Naples School of Economics PhD and Post-Doctoral Workshop
2022	4th Behavioural Macroeconomics Workshop, 53rd Annual Conference of the Money, Macro and Finance Society, CEPR European Conference on Household Finance, 15th VPDE PhD Workshop, NOeG Winter Workshop
2021	International Symposium on Forecasting
2019	European Central Bank – DG-I/IPA Research Seminar

## HONORS, SCHOLARSHIPS AND VOLUNTEERING

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2022	US department visiting grant, EUI
2019 - 2022	PhD Scholarship, Austrian Agency for International Cooperation in Education and Research
2014 - 2015	WU Top League, Honours programme, Vienna University of Economics and Business
2014	Erasmus Scholarship, European Commission
2014	National Merit Scholarship, Austrian Government
2013 - 2014	Volunteer, Caritas
2013	National Merit Scholarship, Austrian Government

## OTHER

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### **Languages:**

English (fluent), German (fluent), Croatian (fluent), Spanish (intermediate), Italian (basic)

### **Software:**

Matlab, Stata, Julia, Python, Latex