

EUROPEAN UNIVERSITY INSTITUTE

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EDUCATION

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

Quantitative Macroeconomics, Household Finance, Income Inequality

REFERENCES

Prof. Edouard Challe	Prof. Russell Cooper	Prof. Simon Gilchrist	Prof. Ramon Marimon
Paris School of Economics	European University Institute	New York University	Barcelona School of Economics
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JOB MARKET PAPER

Income Inequality and the Rise of Risky Capital

Abstract: I study how income inequality shapes the composition of firms by changing the level and composition of aggregate asset demand. Because higher-income households have higher saving rates and riskier asset portfolios, the degree of income inequality affects the allocation of resources between households with different savings behaviour. I show empirically that higher income inequality is associated with a higher aggregate share of risky assets and lower risk premia. Using a quantitative model with heterogeneous households and firms, I quantify how the sharp rise in income inequality in the United States since the 1980s tilted household portfolios towards riskier assets and shifted the firm distribution towards riskier but more productive firms. The model can account for several macro-finance trends, including the secular decrease in the risk-free rate and the relatively stable return to capital.

WORKING PAPERS

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

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

Equity Duration and Monetary Policy Transmission, with J. Graeb

PUBLICATIONS

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

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

EMPLOYMENT

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

TEACHING EXPERIENCE

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

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

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

Languages:

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

Software:

Matlab, Stata, Julia, Python, Latex