

Claes Bäckman

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PROFESSIONAL APPOINTMENTS

- 2020 – present **Assistant Professor**
Department of Economics and Business Economics, Aarhus BSS
Aarhus University, Denmark
- 2020 – present **Research Fellow, Danish Finance Institute**
- 2016 – 2019 **Postdoctoral Fellow (parental leave September-January 2019)**
Department of Economics, Lund University, Sweden

EDUCATION

- 2013 – 2017 **PhD in Economics**, Copenhagen Business School, Denmark

JOB MARKET PAPER

The Value of Mortgage Repayment Flexibility

with Peter van Santen and Patrick Moran

Reject and resubmit at the *Review of Financial Studies*

Abstract: We study the causal impact of amortization payments on household borrowing. We argue that forced amortization payments are costly in standard economic models and therefore affect credit demand. Exploiting notches in the Swedish amortization requirement, a macroprudential policy, we find that new borrowers reduce their loan-to-value ratios by 4-5 percent in response to a 1 percentage point higher amortization rate. We show that the effect is driven by lower borrowing and that a large share of borrowers lower amortization payments to avoid violating payment-to-income constraints. Our results are relevant for macroprudential policy and for understanding borrowers' mortgage choice.




- Working paper:  <https://claesbackman.github.io/Papers/AmortRequirement.pdf>
- Slides:  claesbackman.github.io/Papers/AmortPresentation.pdf

Presentations: Riksbanken, Nationalbanken, Aarhus University, Lund University, Nordic Junior Macro seminar series, NHH, EFA 2020, IAAE 2021, UEA North American meeting 2021, Central Bank of Ireland workshop on borrower finances , EEA-ESEM 2022

WORKING PAPERS

- 2022 **Bäckman** & Khorunzhina, Natalia. Interest-Only Mortgages and Consumption Growth: Evidence from a Mortgage Market Reform. Resubmitted to the *International Economic Review*
 • Working paper:  doi.org/10.2139/ssrn.3533247
- 2022 **Bäckman**, Olga Balakina, Andreas Hackethal, Tobin Hanspal, & Dominique M. Lammer. Good Peers, Good Apples? Peer Effects in Portfolio Quality.
 • Working paper:  <http://dx.doi.org/10.2139/ssrn.4150243>
- 2021 **Bäckman** & Lutz, Chandler. Mortgage Innovation and House Price Booms. Under review
 • Working paper:  doi.org/10.2139/ssrn.2699824

PUBLICATIONS

- 2021 **Bäckman** & Hanspal, Tobin. Participation and Losses in Multi-Level Marketing: Evidence from an FTC Settlement. *Financial Planning Review*,. doi:[10.1002/cfp2.1137](https://doi.org/10.1002/cfp2.1137) 
 • Working paper:  doi.org/10.2139/ssrn.3175871
- 2020 **Bäckman** & Lutz, Chandler. The Impact of Interest-Only Loans on Affordability. *Regional Science and Urban Economics*. doi:[10.1016/j.regsciurbeco.2018.06.004](https://doi.org/10.1016/j.regsciurbeco.2018.06.004).
 • Working paper:  doi.org/10.2139/ssrn.3055240

GRANTS & AWARDS

- 2017 – 2020 Tom Hedelius and Jan Wallanders stiftelse. “The long and short term impact of amortization requirements”. 1.2 million SEK/€117.000. PI: **Bäckman**
- 2017 Think Forward Initiative Research Challenge Grantee. “Multi-level Marketing Participation and Social Connectivity”. €5.000. Co-PI: Bäckman, Claes & Hanspal, Tobin
- 2017 Research Center SAFE, Goethe University Frankfurt . “Economic Opportunity and Multi-level Marketing”. €3.000. Co-PI: Bäckman, Claes & Hanspal, Tobin

WORK IN PROGRESS

- First draft **Mortgage market design and wealth inequality: Evidence from interest-only mortgages in Denmark.**
 with Danial Ali Akbari, Natalia Khorunzhina and Timo Trimborn
 Key idea: Mortgage amortization require household to save and build up wealth in the form of home equity, but also restricts portfolio choice. We show that having more choice over mortgage payments reduces savings, with implications for wealth inequality
- First draft **The Value of Connections: Network Effects on Stock Market Participation**
 with Olga Balakina and Anastasiia Parakhoniak
 Key idea: Our aim is to understand why the explosion in social media use has not led to an increase in stock market participation. We study a model of stock market participation with a social network and a fixed participation cost that depends on the number of informed connections.

- Writing draft **Macroprudential policies do not affect homeownership**
with Olga Balakina and Timo Trimborn
Key idea: Macroprudential policies are a popular tool to limit credit growth, but may have unintended effects on access to homeownership. We show that such concerns are unfounded, and that macroprudential policies do affect homeownership rates either on the aggregate level or for selected groups.
- Writing draft **Can Credit Supply Shocks Affect the Entire Income Distribution?**
with Natalia Khorunzhina
Key idea: We argue that income is not always a good proxy for credit constraints, and show that credit supply shock also affect rich households.
- Writing draft **The impact of home equity withdrawal on house prices**
with Natalia Khorunzhina and Walter D'Lima
Key idea: Home equity withdrawal is often empirically used to fund home quality improvements. These quality improvements are not generally taken into account when constructing house price indices. We estimate how home equity withdrawal affects house prices using a long panel of the universe of housing transactions in Denmark.

OTHER PUBLICATIONS

- 2019 [Hur påverkar amorteringskravet hushållen? Lärdomar från Danmark.](#) *Ekonomisk Debatt, 2019 (The Journal of the Swedish Economic Association).*
- 2018 Bäckman & Hanspal, Tobin. [Multi-Level Marketing Participation and Social Connectivity.](#) TFI Research Challenge Report.

PRESENTATIONS

- 2022 SGF Conference, EEA-ESEM 2022 x 2
- 2021 Central Bank of Ireland (Workshop on Borrower finances, financial stability assessment and macroprudential policies); Nationalbanken, Denmark; NFN Young Nordic Scholars Webinar; 15th North American Meeting of the Urban Economics Association; Finansinspektionen (Swedish Financial Supervisory Authority), Young Scholars Nordic Finance Workshop.
- 2020 Aarhus University; Lund University; EFA 2020; Nordic Junior Macro Seminar Series
- 2019 European Economic Association Congress 2019; Econometric Society Winter Meetings
- 2018 Riksbanken; Aarhus University; Swedish National Conference in Economics; Research Institute for Industrial Economics, CEAR-RSI Household Finance Workshop in Montreal
- 2017 Norges Bank Workshop on Housing and Household Finance, Oslo; 2nd SAFE Household Finance Workshop, Frankfurt;
- 2016 Riksbanken; International Association for Applied Econometrics Annual Conference, Milano; Copenhagen Business School, Denmark; Lund University, Sweden; Econometric Society Winter Meeting, Edinburgh
- 2015 Nationalbanken, Denmark; Copenhagen Business School, Denmark, Midwestern Economic Association Annual Meeting, Minneapolis

2014 Danish Graduate Program in Economics Annual Workshop

TEACHING

2020 – present Course coordinator and lecturer for 2504: Macroeconomics. Advanced Bachelor-level course in macroeconomic, Aarhus University

2016 – 2017 Lecturer in Macroeconomic Theory and Economic Policy, bachelor-level course in macroeconomics. Lund University

SUPERVISION

PhD (co-advisor)

2022 – present Alexander Kjær Hilslov, Aarhus University. Main advisor: Jonas Maibom

Bachelor and Master thesis supervision

2020 – present Ten Bachelor and three Master theses supervised at Aarhus University

2017 – 2019 Five Bachelor and nine Master theses supervised at Lund University

WORKSHOPS & SHORT COURSES

2019 Main organizer for a workshop on Financial literacy at Lund University, bringing together academics, policymakers and industry

OUTREACH

2022 Debate article about loans for first-time buyers at Finans.dk, joint with Michael Svarer. [Håndsrækning til førstegangskøbere kan øge kløfterne på boligmarkedet](#)

2021 Launched a financial literacy course for immigrants at www.finanskurse.se ([English version](#)) in collaboration with Finansinspektionen (the Swedish Financial Supervisory Authority). Media coverage: [Göteborgsposten](#)

2021 Debate article in Politiken (a major Danish newspaper) about interest-only mortgages in Denmark and the housing market for young households. ["De afdragsfrie lån skabte en boligfest, men ikke for unge"](#)

2020 Wrote on Ekonomistas, a popular blog by Swedish economists, about the amortization requirement and Corona. [Finansinspektionen måste gå längre och avskaffa amorteringskravet!](#)

2019 Interviewed about the amortization requirement in Sweden on TV4 (major television channel) and several newspaper. [Dagens industri](#), [Affärvärlden](#), among others

2017 Responded to arguments that economics was an outdated discipline in a major Swedish newspaper, together with Petter Lundborg and Tommy Andersson [Forskare: Argumenten är förlegade](#)

2017 Interviewed on Ekonomiekot, Sveriges Radio, about house prices in Denmark and Sweden
[Boprisrallyt i Norden oroar](#)

REVIEWER

- Nordic Economic Policy Review, Scandinavian Journal of Economics, Empirical Economics

LANGUAGES

Swedish (Native), English (Fluent), Danish (advanced)

REFERENCES

Professor Lars EO Svensson
Department of Economics
Stockholm School of Economics
leosven@gmail.com

Professor Michael Svarer
Department of Economics and Business Economics
Aarhus University
msvarer@econ.au.dk

Associate Professor Natalia Khorunzhina
Department of Economics
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