

# 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](https://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, IAAE 2022, EEA-ESEM 2022.

## WORKING PAPERS

- 2022      **Bäckman** & Khorunzhina, Natalia. Interest-Only Mortgages and Consumption Growth: Evidence from a Mortgage Market Reform.  
2nd round R&R at the *International Economic Review*  
• Working paper:  [doi.org/10.2139/ssrn.3533247](https://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](https://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](https://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](https://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.

## 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

## 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](http://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](#)

## LANGUAGES

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

## REFERENCES

Professor Lars EO Svensson  
Department of Economics  
Stockholm School of Economics  
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Professor Michael Svarer  
Department of Economics and Business Economics  
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[msvarer@econ.au.dk](mailto:msvarer@econ.au.dk)

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