

# 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-December 2019)**  
Department of Economics  
Lund University, Sweden

## JOB MARKET PAPER




**The Value of Mortgage Repayment Flexibility**  
with Peter van Santen and Patrick Moran (Presentation)  
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.

## EDUCATION

- 2013 – 2017    **PhD in Economics**, Copenhagen Business School, Denmark
- 2010 – 2012    **M.Sc., in Advanced Economics and Finance (Cand.oecon)**, Copenhagen Business School, Denmark
- 2007 – 2010    **BSc in Economics and Business**, Lund University, Sweden

## 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)

## WORKING PAPERS

- 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>
- 2022 **Bäckman** & van Santen, Peter. The Amortization Elasticity of Mortgage Demand. Reject and resubmit at the *Review of Financial Studies*
- Working paper:  <https://claesbackman.github.io/Papers/AmortRequirement.pdf>
  - Slides:  [claesbackman.github.io/Papers/AmortPresentation.pdf](https://claesbackman.github.io/Papers/AmortPresentation.pdf)
- 2021 **Bäckman** & Khorunzhina, Natalia. Interest-Only Mortgages and Consumption Growth: Evidence from a Mortgage Market Reform. Revise and resubmit at the *International Economic Review*
- Working paper:  [doi.org/10.2139/ssrn.3533247](https://doi.org/10.2139/ssrn.3533247)
- 2021 **Bäckman** & Lutz, Chandler. Mortgage Innovation and House Price Booms.
- Working paper:  [doi.org/10.2139/ssrn.2699824](https://doi.org/10.2139/ssrn.2699824)

## WORK IN PROGRESS

- First draft **Mortgage market design and wealth inequality: Evidence from interest-only mortgages in Denmark.**  
done  
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**  
done  
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 first 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 first 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.

## 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.

## 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

## PRESENTATIONS

- 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)
- 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    Macroeconomics  
Advanced Bachelor-level course in macroeconomics  
Course coordinator & Lecturer  
Aarhus University
- 2016 – 2017      Macroeconomic Theory and Economic Policy  
Bachelor-level course in macroeconomics  
Lecturer  
Lund University

## SUPERVISION

PhD (co-advisor)

- 2022 – present    Alexander Kjær Hilslov  
Aarhus University  
Advisor: Jonas Maibom

Bachelor and Master thesis supervision

- 2017 – 2019      Four Bachelor and two Master theses supervised  
Aarhus University
- 2020 – present    Five Bachelor and nine Master theses supervised  
Lund University

## WORKSHOPS & SHORT COURSES

- 2019            Workshop on Financial literacy in Sweden  
Main organizer  
Lund University

## OUTREACH

- 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            Wrote 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 Sydsvenskan, 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)