

Filippo Pallotti | Curriculum Vitae

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CURRENT POSITIONS

Lombard Odier Group - Macro Strategist, Vice-President

Nov. 2023 - Ongoing

University College London - PhD Candidate in Economics

2019 - 2024 (Exp.)

REFERENCES

Morten O. Ravn

Professor of Economics
University College London
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Oreste Tristani

Senior Adviser - DG Research
European Central Bank
oreste.tristani@ecb.europa.eu

Adrien Auclert

Associate Professor of Economics
Stanford University
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Gianluca Violante

Theodore A. Wells '29 Professor of Economics
Princeton University
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PUBLICATIONS

◦ "Who Bears the Costs of Inflation? Euro Area households and the 2021–22 Shock", with G. Paz-Pardo (ECB), J. Slacalek (ECB), O. Tristani (ECB) and G. Violante (Princeton), *Journal of Monetary Economics*, forthcoming.

Abstract: We measure the heterogeneous first-order welfare effects of the recent inflation surge across households in the euro area. A simple framework illustrating the numerous transmission channels of surprise inflation to household welfare guides our empirical exercise. By combining micro data and aggregate time series, we conclude that: (i) country-level average welfare costs – expressed as a share of triennial income – were sizable and heterogeneous: around 3% in France and Spain, 7% in Germany, and 9% in Italy; (ii) this inflation episode resembles an age-dependent tax, with the retirees losing up to 14%, and roughly half of the 25–44 year-old winning; (iii) losses were quite uniform across consumption quantiles because rigid rents served as a hedge for the poor; (iv) nominal net positions were the key driver of heterogeneity across-households; (v) the rise in energy prices generated vast variation in individual-level inflation rates, but unconventional fiscal policies helped shield households. The counterpart of this household-sector loss is a significant gain for the government.

WORKING PAPERS

◦ "The Fisher Channel According to HANK: Unexpected Inflation and the Missing Recession", JMP.

Abstract: I study how wealth redistribution from savers to borrowers, triggered by the latest inflationary episode, affected aggregate consumption in the US. Employing a Heterogeneous Agent New Keynesian (HANK) model calibrated to match the empirical distribution of nominal exposures and their covariance with marginal propensities to consume (MPCs), I find that this redistribution modestly increased aggregate consumption and contributed to inflation persistence. These results are supported by empirical evidence from billions of household-level transactions obtained from a U.S. fintech company, as well as by county-level data on consumption and nominal debt. Finally, I demonstrate that this channel plays a quantitatively significant role in amplifying monetary policy effectiveness within the model and revisit the 'paradox of flexibility,' highlighting how wealth redistribution impacts the interaction between the degree nominal rigidity and policy transmission.

- "Winners and Losers from Unexpected Inflation", *accepted in ECB Working Papers, under review.*

Abstract: I document the evolution of nominal positions in the US over the last two decades and estimate the redistributive effects of several inflation episodes. I find that the US government gained around 4.5% of US GDP from the 2021 inflation shock, essentially at the expense of foreigners. In addition, there has been a significant concentration of nominal assets among the wealthiest middle-aged and elderly households, who lost substantially. Most other groups of households gained on average. The financial sector is extremely exposed to anticipated inflation. Raising the inflation target by 2pp would have generated a modest gain for the household sector, especially at the start of the Great Recession.

- "Rapid Monetary Transmission: High-Frequency Evidence from the UK", with S.M. Agrippino (NY Fed), L. Brandt (BoE), J. Fisher (Bundesbank) and C. Horn (Frankfurt School of Finance)

Abstract: We study the transmission of monetary policy on UK economic activity in the short run using daily data on hundreds of millions of transaction from a fintech, as well as data on vacancies and prices. We find that monetary policy has significant short-run effects on household spending and posted vacancies in the UK. Using local projections on UK proxies for monetary policy identified through high-frequency methods, we find that household spending significantly decreases after approximately two months and that posted vacancies significantly fall after approximately five months. Prices do not react in the short run. This provides new evidence on the speed of the monetary policy transmission in the UK that previously went undetected because of the focus on lower-frequency data.

REFEREING

Quarterly Journal of Economics, European Economic Review, Economic Journal

GRANTS AND SCHOLARSHIPS

- Stone Center Research Support Grant, £ 20,000, 2023.
- Stone Center PhD Scholarship, £ 10,000, 2023.
- ESRC Scholarship, ca. £ 20,000 per year, 2018-2022.
- Scuola Superiore Sant'Anna, merit based full scholarship (fees, room and board), 2010-2015.
- Fee waiver/stipend for courses in macroeconometrics at LSE (2013, 2018) and Barcelona GSE (2015).

CONFERENCE PRESENTATIONS

2024: Queen Mary University of London, Barcelona GSE Summer Forum, EEA-ESEM (Rotterdam), CEBRA (Frankfurt).

2023: ECB DGR (x2), Bank of Italy, London Business School, Mannheim, CESifo (Munich), EEA-ESEM (Barcelona GSE), Paris School of Economics, Bank of England, Central Bank of Ireland.

2022: Surrey, ECB DGR, Naples, ECB Macroprudential Analysis Group (MPAG)

PREVIOUS EMPLOYMENT

Bank of England - PhD Trainee @ Monetary Policy Outlook Division	<i>Summer 2023</i>
European Central Bank - PhD Trainee @ DG Research	<i>2022 - 2023</i>
Stanford University - Predoctoral Research Fellow @ SIEPR	<i>2016 - 2017</i>
Princeton University - Visiting Student Research Collaborator @ Department of Economics	<i>2016</i>

PREVIOUS EDUCATION

University College London - <i>MRes in Economics</i> - distinction in all courses	2017-2019
University of Pisa - <i>MSc in Economics</i> - 110/110 cum laude and commendation	2013-2015
University of Pisa - <i>BSc in Economics</i> - 110/110 cum laude and commendation	2010-2013
Scuola Superiore Sant'Anna - <i>Honors college student in Economics</i> - 100/100 cum laude	2010-2015
École Normale Supérieure - <i>Exchange Student @ Department of Social Science, Paris, Rue d'Ulm</i>	2013

TEACHING @UCL

- Advanced Macroeconomic Theory (Graduate): 2019, '20, '21 - TA for Prof. R. Luetticke and A. Olivi.
- Maths Camp (Graduate), 2019, '20, '21', '22 - TA for Professor Daniel Wilhelm
- Economics of Finance (Undergraduate), 2020, '22 - TA for Professor Albert Marcet
- Economics of Growth (Undergraduate), 2023 - Ta for Professor Lukasz Rachel
- Macroeconomics (Undergraduate), 2019 - TA for Professor Wei Cui.

IT SKILLS

Programming languages: Python, SQL, PySpark, Matlab, Stata

Softwares: Bloomberg, Git, MS Office, \LaTeX

Languages: English, Italian