

GUALTIERO AZZALINI
[https://gualtiazza.github.io/
gualtierio.azzalini@hhs.se](https://gualtiazza.github.io/gualtierio.azzalini@hhs.se)

OFFICE CONTACT INFORMATION

Department of Finance
Stockholm School of Economics
Box 6501
113 83, Stockholm, Sweden
+46 (0)8 736 90 30

PERSONAL INFORMATION

Date of birth: January 29, 1991
Citizenship: Italian

FIELDS

Macroeconomics, Macro-labor, Household Finance, Heterogeneous Agents Macro, Wealth Inequality

ACADEMIC POSITIONS

Aug 2023-present: Assistant Professor of Finance, Dept. of Finance, Stockholm School of Economics
Aug 2023-present: Research Fellow, Swedish House of Finance

EDUCATION

Ph.D. in Economics, Institute for International Economic Studies, Stockholm University, 2023
at Stockholm School of Economics, 2018-2019
Thesis title: "Essays on Income Risk, Portfolio Choices and the Macroeconomy"
Supervisors: Per Krusell, Kurt Mitman. Opponent: Alexander Michaelides.
M.Sc. in Economic and Social Sciences, Bocconi University, 110/110 cum laude, 2015
B.Sc. in Economic and Social Sciences, Bocconi University, 110/110 cum laude, 2013

PUBLICATIONS

Alesina A., Azzalini G., Favero C., Giavazzi F., Miano A. (2018). [Is it the "How" or the "When" that Matters in Fiscal Adjustments?](#), *IMF Economic Review*, 66 (1), pp 144-188.

RESEARCH PAPERS

["Business cycle asymmetry of earnings pass-through"](#)

How does the firm's role as an insurance provider vary over the business cycle? Using Swedish administrative data, I document that idiosyncratic firm productivity shocks are passed through workers' earnings asymmetrically. In non-recessions, firms are good insurers against negative shocks. In downturns, they pass through a larger share of their shock. Regardless of the state of the economy, instead, positive shocks are mainly passed through when sizeable. I rationalize these findings using a directed search model of the labor market with recursive contracts. Moral hazard risk associated with on-the-job search is key to generating pass-through and the increased risk of firm disaster in recessions is necessary for matching the empirical facts. As the wage growth distribution features procyclical skewness and acyclical variance, the model also suggests a new mechanism for explaining trends in income risk variation over the business cycle. Welfare calculations reveal that workers would be willing to give up a non-negligible share of consumption to avoid this source of uncertainty.

“Inferring income properties from portfolio choices”

Two main views exist on the nature of the labor income process: according to one, income shocks are very persistent and agents face similar life-cycle profiles - Restricted Income Profiles (RIP); according to the other, income shocks are not very persistent and life-cycle profiles are individual-specific - Heterogeneous Income Profiles (HIP). This paper studies the implications of these two views in a portfolio choice model in order to discover identification restrictions allowing to discern between them. I find that HIP and RIP imply different life-cycle patterns of the participation and conditional risky share choices but similar patterns of consumption and saving. Crucial for this result is the inclusion of cyclical skewness in the stochastic process for income, which enables us to correctly estimate the part of income risk deriving from the persistence of the shocks.

“Preference heterogeneity and portfolio choices over the wealth distribution” with Markus Kondziella and Zoltán Rácz

This paper provides a quantitative theory that explains the wealth and portfolio heterogeneity documented in administrative data. Two key elements of the theory are cyclical labor income risk and ex-ante heterogeneity in preferences. The former reconciles the lower risky share of individuals at the bottom of the wealth distribution. The latter rationalizes the higher expected excess returns, participation and share of idiosyncratic return variance at the top. These features generate dispersion in wealth through their heterogeneous effects on individuals' investment decisions, resulting in a cross-sectional wealth distribution that provides a close fit of the data, particularly at the very top. Our model also produces a good match of empirical estimates of wealth mobility and marginal propensities to consume as a function of wealth in line with recent literature. We also find that an accurate match of portfolio choices has a significant effect on aggregate dynamics: our framework predicts a larger and more persistent increase in wealth inequality following an aggregate return shock than counterfactual models characterized by a worse fit.

RESEARCH PAPERS IN PROGRESS

“Human capital inference” with Zoltán Rácz

There is a long-standing literature in economics whose goal is to infer properties of individuals' income and human capital and their impact on consumption-saving decisions by using revealed choices, especially on consumption. While this approach is superior to the utilization of income data alone, it nevertheless relies on very strong assumptions on the form of the stochastic process for income, in particular it hard-wires the relationship between shocks to current income and expected future income, that is, human capital. In this paper we develop a new method that enables to perform this task without imposing any restriction on the latter. Specifically, we log-linearize the recursive relationship defining human capital, insert it into a linearized savings policy function and derive moment conditions which, in turn, we use for GMM estimation of the parameters governing moments of the joint and marginal distributions of savings and income. Using high quality Swedish administrative data on wealth – which enables us to overcome the well-known issues deriving from using imputed or survey data – we find that about 60 percent of human capital corresponds to expected income in the following year. This result suggests that individuals are very short-sighted regarding their future income when they make consumption-saving decisions.

CODING

Azzalini G., Rácz Z. (2024). [MomentMatching.jl: Parameter Estimation of Macroeconomic Models via Moment Matching Methods in Julia.](#)

PROFESSIONAL SERVICE

Referee

The Review of Economic Studies, The Review of Financial Studies, American Economic Review: Insights, Review of Finance, Journal of Economic Dynamics and Control

Departmental

Organizer of the Seminar Series, Dept. of Finance, Stockholm School of Economics (A.Y. 2024-2025)
Organizer of the Brown Bag Seminar Series, Dept. of Finance, Stockholm School of Economics (A.Y. 2023-2024)

TEACHING EXPERIENCE

Spring 2025

Climate, Financial Markets and the Economy (M.Sc.), Stockholm School of Economics, course director

Fall 2024

Empirical Methods in Finance (M.Sc.), Stockholm School of Economics, course director

A.Y. 2023-2024

Thesis in Finance (M.Sc.), Stockholm School of Economics, course director

Spring, 2021

Macroeconomics II (Ph.D.), Stockholm University, teaching assistant for Associate Professor Kurt Mitman

Spring, 2020

Macroeconomics II (Ph.D.), Stockholm University, teaching assistant for Professor John Hassler

PRESENTATIONS

(Including scheduled, by co-author starred)

2024

Swiss Macro Workshop*, Sveriges Riksbank (Greater Stockholm Macro Group), IFAU, European Economic Association and Econometric Society Congress (Erasmus University), European Association of Labor Economists Conference (Norwegian School of Economics), Italian Association of Labor Economists (Università Degli Studi di Napoli Federico II), Konjunktur Institutet, University of Gothenburg, SED Winter Meeting Buenos Aires
Discussions: Heterogeneous Agents in Macroeconomic Models Conference (Czech National Bank, Prague)

2023

Midwest Macroeconomics Meeting (Texas Tech)*, Arne Ryde Workshop (Lund University), Nordic Summer Symposium in Macroeconomics (Smögen) Tilburg University (Finance), Banca d'Italia, Stockholm School of Economics (Finance), Norwegian School of Economics
Discussions: 12th National Ph.D. Workshop in Finance (Swedish House of Finance), Nordic Finance Network Young Scholar Network (Lund University)

2022

Stockholm University, SUDSWEC Ph.D. Workshop

2021

Swedish House of Finance (10th National Ph.D. Workshop in Finance)

HONORS, SCHOLARSHIPS AND FELLOWSHIPS

2023	Best discussant prize, 12 th National Ph.D. Workshop in Finance (Swedish House of Finance)
2022	IFAU research grant for the project “Wage pass-through over the business cycle” (15000 SEK, project leader Per Krusell)
2019 (declined)	Jan Wallander and Tom Hedelius Foundation Scholarship for studies abroad
2016	Fondazione Achille e Giulia Boroli for outstanding M.Sc. dissertation

WORK EXPERIENCE

Jan-July, 2018	European Central Bank, DG Macprudential Policy and Financial Stability, trainee
Sep 2015-Aug 2016	Bocconi University, research assistant for Professors Alberto Alesina, Carlo Favero and Francesco Giavazzi
Feb-July, 2015	Bocconi University, research assistant for Professors Carlo Favero and Vincenzo Galasso
Feb-June, 2015	Bocconi University, research assistant for Associate Professor Barbara Rindi

OTHER EXPERIENCE

Aug 2016-Dec 2017	New York University, Stern School of Business, first year coursework of the Ph.D. in economics
Fall, 2014	Stockholm School of Economics, exchange student
Spring, 2013	Boston University, exchange student
Sep 2013-Aug 2014	Innocenzo Gasparini Institute for Economic Research, visiting student

SKILLS

Languages: Italian, English, Swedish (basic)
Software: Julia, R, Matlab, Git

REFERENCES

Professor Per Krusell
Institute for International Economic Studies
Stockholm University
Stockholm, 10691, Sweden
+46 (0)8 16 30 73
per.krusell@iies.su.se

Assistant Professor Kieran Larkin
Institute for International Economic Studies
Stockholm University
Stockholm, 10691, Sweden
+46 (0)8 674 77 15
kieran.larkin@iies.su.se

Associate Professor Kurt Mitman
Institute for International Economic Studies
Stockholm University
Stockholm, 10691, Sweden
+46 (0)8 16 30 57
kurt.mitman@iies.su.se

Professor Paolo Sodini
Department of Finance
Stockholm School of Economics
Stockholm, 11160, Sweden
+46 (0)8 736 91 65
paolo.sodini@hhs.se