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Education

Ph.D. In Economics, New York University	2010-2016
Thesis: *Credit Market Frictions and Macroeconomics*	
Master in Economic Theory and Econometrics, Toulouse School of Economics	2008-2009
B.Sc. in Economics, Universität Mannheim	2006-2009
Visiting Ph.D. Student, Yale University	2009-2010

Professional Experience

From September 2016	Economist, Bank of England, London, United Kingdom
Summer 2014	Fund Internship Program, International Monetary Fund, Washington, DC

Working Papers

Financial constraints and the heterogeneous cyclicalities of employment and investment (Job Market Paper)

This paper examines the interconnection of financial constraints and cross-sectional dynamics of employment and investment. Using firm-level data, I document that employment growth and investment rates are more sensitive to macroeconomic conditions for more financially constrained firms. I then develop a tractable dynamic general equilibrium model to capture this fact and I analyze the role of credit market frictions for cyclical sensitivities. The key ingredients in my framework are (i) the responsiveness of borrowing costs to expected default rates, and (ii) heterogeneity in the benefits of debt financing. Firms choose different capital structures with associated credit spreads and default risk, and firms with higher spreads respond more strongly to aggregate shocks. I show that the model can account for the cyclical elasticities of employment growth and for a substantial share of the credit spread differential during recessions. Furthermore, I use the model to study the implications of monetary policy, financial shocks and risk shocks for different firms. Finally, I consider other dimensions of firm heterogeneity, such as differences in productivity risk, and I find that the level of leverage does not necessarily imply greater cyclicality.

Constrained by default: Precautionary savings and bankruptcy risk

This paper addresses the interlinkages of financial constraints in the household sector and the corporate sector. Using a DSGE model with labor market frictions and nominal rigidities I study an adverse feedback loop between aggregate demand and corporate defaults, and I show that the amplification from this novel mechanism can be quantitatively large. Borrowing limits and uninsurable unemployment risk create a precautionary savings motive on the household side. Limited liability allows entrepreneurs to shed both liabilities and employees. Cognizant of the fact that corporate defaults generate unemployment, the household's precautionary motive strengthens in recessions when corporate default risk is high. This generates a drag on aggregate demand that hurts the corporate sector and makes default ever more likely. The interplay between demand and defaults can be important in different types of recessions, namely in downturns characterized by deleveraging in the household sector, such as the Great Recession, as well as in more normal recessions that originate from disturbances to business activity. The additional propagation would not be present if constraints on either firms or households were absent. In addition, the feedback effects make it more likely that the economy hits the zero lower bound, resulting in greater declines of output and employment. Finally, I analyze how state-contingent unemployment insurance, such as the extension of eligibility during severe recessions, can mitigate the feedback loop. My analysis shows that countercyclical benefits are quite effective in offsetting shocks to the corporate sector but less successful in countering deleveraging on the household side.

Honors, Scholarships, and Fellowships

2015-2016	Macro Financial Modeling, Dissertation Fellowship
2010-2015	MacCracken Fellowship, New York University
2009-2010	German Academic Exchange Service (DAAD)
2007-2012	German National Academic Foundation (Studienstiftung des deutschen Volkes)
2007-2009	Tuition Scholarship, Deutsche Bank AG