

JOHN V KRAMER

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PERSONAL INFORMATION:

Date of birth: August 1, 1990

Citizenship: German

UNDERGRADUATE STUDIES:

B.Sc. in Economics and Business Economics, Maastricht University, 2009-2012, GPA: 8.45/10

Visiting Student, University of California – San Diego, 2010

MASTERS LEVEL WORK:

M.Sc. in Financial Economics, Maastricht University, 2013-2014, GPA: 8.94, *Cum Laude*

Master Thesis: “Contagion and Flight-to-Quality in the Eurozone during the Sovereign Debt Crisis”

Advanced Studies Program, Kiel Institute for the World Economy, 2014-2015

Thesis: “Networks, Gravity and the Interbank Market”

DOCTORAL STUDIES:

IIES, Stockholm University, 2015 to present

Thesis Title: “Essays on Macroeconomics, Monetary Policy and Mobility”

Expected Completion Date: June 2022

Stanford University, Visiting Student Researcher, 2018-2019

Thesis Committee and References:

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Professor Per Krusell (Advisor)
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TEACHING AND RESEARCH FIELDS:

Primary fields: Macroeconomics, Monetary Economics

Secondary field: Labor Economics

TEACHING EXPERIENCE:

2018	Macroeconomics I (graduate), teaching assistant for Professor Timo Boppart
2019	Macroeconomics I (graduate), teaching assistant for Professor Timo Boppart

RESEARCH EXPERIENCE AND OTHER EMPLOYMENT:

2014	Deutsche Bundesbank, Research Intern
2013-2014	Research assistant to Paul Smeets (Dept of Finance)
2012	Ifo Institute, Munich, Research Intern
2012	AXA Group, Internship in the Department for Value and Risk Management

HONORS, SCHOLARSHIPS, AND FELLOWSHIPS:

2010	Maastricht University Top 3% award
2011	Maastricht University Top 3% award
2016	Hedelius Research Fellowship (650 000 SEK)
2018	Mannerfeldt travel grant
2019	Mannerfeldt travel grant

JOB MARKET PAPER:

"The Cyclicalities of Earnings Growth along the Distribution - Causes and Consequences"

Earnings growth is more procyclical at the bottom of the income distribution than at the top. Using high-quality administrative data from Germany, I show that the heterogeneity is chiefly driven by transitions between employment and non-employment, specifically job-finding. I build a heterogeneous agent business cycle model that can rationalize these empirical findings. Agents in the model endogenously choose where to search for work in a labor market that features directed search. The model reproduces the heterogeneous procyclicality of earnings growth, as well as the contribution of job-finding, along the income distribution. I use this model to evaluate two policies aimed at reducing business cycle risk: countercyclical hiring subsidies and universal basic income (UBI). The first policy proposal increases welfare relative to the baseline economy. Implementing UBI decreases the volatility of aggregate consumption but decreases welfare overall.

PUBLICATIONS:

"Monetary Policy and Liquidity Constraints: Evidence from the Euro Area" (joint with M. Almgren, J. Gallegos & R. Lima) – *American Economic Journal: Macroeconomics* (forthcoming)

We quantify the relationship between the response of output to monetary policy shocks and the share of liquidity constrained households. We do so in the context of the euro area using a Local Projections Instrumental Variables estimation. We construct an instrument for changes in interest rates from changes in overnight indexed swap rates in a narrow time window around ECB announcements. Monetary policy shocks have heterogeneous effects on output across countries. Using micro data, we show that the elasticity of output to monetary policy is larger in countries that have a larger fraction of households that are liquidity constrained.

RESEARCH PAPERS IN PROGRESS:

“The Curious Incidence of Shocks along the Income Distribution” (joint with T. Broer & K. Mitman)

We use high-frequency administrative data from Germany to study the effect of monetary-policy shocks on incomes and employment prospects along the income distribution. We find that income growth at the bottom of the income distribution is substantially more affected by monetary policy shocks. Much of this heterogeneity comes from stronger effects of these shocks on the separation rates of the poor. We compare this heterogeneous incidence of monetary-policy shocks to that of average business-cycle movements in our sample.

“The Misallocation of Men’s Talent” (joint with M. Almgren & J. Sigurdsson)

We document systematic misallocation of men's talent across occupations. Using administrative data on cognitive and non-cognitive skills, and labor market outcomes of the population of Swedish men, we show that men from poorer families underperform in the labor market relative to their talent potential. The reverse is true for men from richer families. We demonstrate how this relates to unequal exposure to opportunities: Sons are disproportionately more likely to choose the same occupation as their fathers, across all levels of skills and earnings. Using a Roy model with costly occupational choice we demonstrate how heterogeneous exposure to occupations can act as an entry barrier. We measure these barriers to be large. For sons of medical doctors, compared to men of different backgrounds, we estimate that the cost of becoming a doctor is reduced by about 10 percent of prime-age earnings. Equalizing entry costs would lead the father-son income rank association to drop from 0.26 to 0.19, or by almost half of the difference between Denmark and the US. These findings suggest that providing equal opportunities can have large impacts on intergenerational mobility and the efficient allocation of talent.