

# KARSTEN MÜLLER

[www.karstenmueller.com](http://www.karstenmueller.com)

[karstenm@princeton.edu](mailto:karstenm@princeton.edu)

+1 (609) 934-8151

**Placement Director:** Gianluca Violante [violante@princeton.edu](mailto:violante@princeton.edu)

**Graduate Administrator:** Laura Hedden [lhedden@princeton.edu](mailto:lhedden@princeton.edu)

## Office Contact Information

---

Princeton University  
Department of Economics  
Julis-Rabinowitz Center for Public Policy & Finance  
Princeton, NJ 08544

## Research Fields

---

Primary: Finance, Macroeconomics

Secondary: Political Economy

## Academic Positions

---

2018–present      Postdoctoral Research Associate, Princeton University

## Education

---

2014–2018      Ph.D. Business and Management, University of Warwick

Thesis Title: *“Three Essays in Financial Economics”*

2017              Visiting Ph.D. Student, University of Chicago, Booth School of Business

2012–2014      M.Sc. Strategy, Innovation, and Management Control, WU Vienna

2009–2012      B.Sc. Economics and Business Administration, J. W. Goethe University Frankfurt

## References

---

Professor Atif Mian

Department of Economics

Princeton University

+1 (609) 258-6718

[atif@princeton.edu](mailto:atif@princeton.edu)

Professor James Mitchell

Warwick Business School

University of Warwick

+44 (0)24 765 73138

[james.mitchell@wbs.ac.uk](mailto:james.mitchell@wbs.ac.uk)

Professor Thomas Fujiwara

Department of Economics

Princeton University

+1 (609) 258-6993

[fujiwara@princeton.edu](mailto:fujiwara@princeton.edu)

Professor Thorsten Beck

Cass Business School

City University of London

+44 (0)20 7040 8098

[TBeck@city.ac.uk](mailto:TBeck@city.ac.uk)

## Publications

---

1. **“Bank Branching Deregulation and the Syndicated Loan Market”**, with Jan Keil  
*Journal of Financial and Quantitative Analysis* (2020)
2. **“Fanning the Flames of Hate: Social Media and Hate Crime”**, with Carlo Schwarz  
*Journal of the European Economic Association* (2020)

## Job Market Paper

---

**“Credit Allocation and Macroeconomic Fluctuations”**, with Emil Verner

We study the relationship between credit expansions, macroeconomic fluctuations, and financial crises using a novel database on the sectoral distribution of private credit. Constructed from more than 600 sources, these data allow us to map the sectoral allocation of credit across 116 countries starting in 1940 while matching data on total credit from existing sources. Equipped with this new resource, we document a striking shift in the composition of credit away from primary and manufacturing sectors toward households, construction, real estate, and other non-tradable sectors over the past five decades. Motivated by several salient case studies, including the Eurozone and Japanese banking crises, we then ask whether the allocation of firm credit across different industries plays a role in macroeconomic fluctuations. We find stark differences between different varieties of corporate credit expansions. In particular, we show that lending to the construction, real estate, and non-tradable sectors are associated with a boom-bust pattern in output and elevated financial crisis risk, similar to household credit booms. In contrast, there is no such pattern for tradable-sector credit expansions, which are often followed by stronger output growth. These patterns reject models in which debt plays a uniform role and instead support the idea that pre-determined differences across sectors shape interactions between finance and the real economy.

## Working Papers

---

1. **“Busy Bankruptcy Courts and the Cost of Credit”**  
Revise and resubmit at the *Journal of Financial Economics*
2. **“Electoral Cycles in Macroprudential Regulation”**  
Revise and resubmit at the *American Economic Journal: Economic Policy*
3. **“From Hashtag to Hate Crime: Twitter and Anti-Minority Sentiment”**  
with Carlo Schwarz
4. **“The Effects of Social Media on Elections: Evidence from the United States”**  
with Thomas Fujiwara and Carlo Schwarz
5. **“Does the Sectoral Allocation of Credit Matter for Financial Stability Risks?”**  
Invited book chapter for publication by *INET* and *Cambridge University Press*

## Work in Progress

---

1. **“International Credit Supply Shocks: Evidence from the Latin American Debt Crisis”**  
with Jialiang Lin, Atif Mian, and Amir Sufi
2. **“Capital Misallocation and Economic Growth”**  
with Ernest Liu, Atif Mian, Amir Sufi, and Emil Verner

## Research Experience and Other Employment

---

2018	Project Officer <i>International Monetary Fund</i>
2017	Intern, Macprudential Strategy and Support Division <i>Bank of England</i>
2014	Consultant Intern <i>Joint Vienna Institute (IMF Regional Training Center)</i>
2013–2014	Business Analyst <i>Contrast Management-Consulting (EY)</i>

## Teaching Experience

---

2019	Lecture on financial crises (Master in Public Policy, MPP) <i>Princeton University, Princeton School of Public and International Affairs</i>
2015–2016	Teaching assistant for EC229 Economics of Strategy (Undergraduate) <i>University of Warwick, Warwick Business School</i>
2014	Teaching assistant for courses on central bank topics <i>Joint Vienna Institute (IMF Regional Training Center)</i>
2013–2014	Teaching assistant for various finance courses (Undergraduate/Graduate) <i>Vienna University of Economics and Business (WU)</i>

## Conferences and Invited Seminars

---

*\* presented by co-author*

Scheduled	AEA, U. of Cambridge, U. of Rochester, Groningen U.
2020	AEA, UNHCR-World Bank-Brown-Harvard Conference on Forced Displacement, Imperial*, Princeton U., IMF Macro-Financial Research Conference, UCSD*
2019	AEA, NYU SMaPP, Political Economy of Finance Conference, Princeton U., SNB, BIS, MFA, Lenzerheide Conference, U. of Zürich, BOE, U. of Warwick, Young Economists Spring Meeting*, CFIC, RES*, SFS Calvacade, INET Conference on Private Debt, WFA, IMF, NBER Summer Institute*, AOM Panel Session, EEA*, Columbia Young Economists Symposium*, Galatina Summer Meetings*, Bundesbank/CEPR Conference, Rutgers U., ENS Lyon*, EMEC*, German Economists Abroad Meetings, ECB Macprudential Policy & Research Conference
2018	Bonn U., U. of Chicago*, MFA*, EEA*, EFA, U. of Warwick*, Workshop on Political Economy Bozen-Bolzano*, Oxford Internet Institute*, Bundesbank Conference on Financial Cycles and Regulation, Princeton U.
2017	WECON, ASBA-World Bank Research Conference, U. of Chicago, BOE, EFiC, IFABS*, EEA, UWI, Leverhulme Trust Ph.D. Meetings*, DGF
2016	WBS, UWI*, TADC (LBS), MoFiR, BHC/BoE/CEPR/CFM Conference
2015	BIS, UWI

## Professional Activities

---

Referee	Journal of Finance, AER Insights, Economic Policy, Economic Journal
Discussant	MFA 2020, BOFIT Workshop on Finance and Politics 2020, Lenzerheide Conference 2019, FIRS 2019, DGF 2017, TADC 2016

## Awards and Grants

---

2020	Grant for “Empirical Macrofinance” (PI: Atif Mian and Ernest Liu, \$388,000) <i>National Science Foundation (NSF)</i>
2019	Gift (\$25,000) <i>Governor’s Woods Foundation</i>
2019	Grant for “Social Media and Election Outcomes” (\$5,000) <i>Princeton Data-Driven Social Science Initiative</i>
2019	Grant for “Private Debt Cycles” (with Emil Verner, \$15,000) <i>Institute for New Economic Thinking (INET)</i>
2019	Best Poster Award <i>12th Swiss Winter Conference on Financial Intermediation</i>
2017	Overseas Institutional Visit (OIV) Award for visit at Chicago Booth <i>Economic and Social Research Council (ESRC)</i>
2017	Doctoral Student Travel Award <i>European Economic Association (EEA)</i>
2016	Doctoral Student Travel Grant <i>American Finance Association (AFA)</i>
2014–2018	Postgraduate Research Scholarship <i>Economic and Social Research Council (ESRC)</i>
2014–2018	Chancellor’s International Scholarship <i>University of Warwick</i>
2013	Merit Scholarship <i>Vienna University of Economics and Business (WU)</i>

## Languages

---

German (native), English (fluent), French (basic)