

# TIAGO BERNARDINO

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

[tiago.bernardino@iies.su.se](mailto:tiago.bernardino@iies.su.se)

## Personal Information

Citizenship: Portuguese  
Data of birth: October 24, 1996  
Phone: (+351) 965 147 956

## Office Contact Information

Institute for International Economic Studies  
Stockholm University  
106 91 Stockholm, Sweden

## Research and Teaching Fields

Macroeconomics: Monetary and Fiscal Policy; Public Economics

## Education

2020-2026 <sup>e</sup>	<b>IIES – Stockholm University, Ph.D. in Economics</b>
2022-2023	The London School of Economics, Visiting Ph.D. Student
2017-2019	Nova School of Business and Economics, M.Sc. in Economics
2014-2017	Nova School of Business and Economics, B.Sc. in Economics
2016	Bocconi University, Visiting Student

## References

### Kurt Mitman

IIES, Stockholm University  
+46 (0)8 16 30 57  
[kurt.mitman@iies.su.se](mailto:kurt.mitman@iies.su.se)

### Per Krusell

IIES, Stockholm University  
+46 (0)8 16 30 73  
[per.krusell@iies.su.se](mailto:per.krusell@iies.su.se)

### Ricardo Reis

London School of Economics  
+44 (0)20 795 7508  
[r.a.reis@lse.ac.uk](mailto:r.a.reis@lse.ac.uk)

### Kieran Larkin

IIES, Stockholm University  
+46 (0)8 674 77 15  
[kieran.larkin@iies.su.se](mailto:kieran.larkin@iies.su.se)

## Job Market Paper

### Structural Transformation and the Transmission of Monetary Policy

*This paper studies how the long-run sectoral shift toward services of economic activity has increased the effectiveness of monetary policy in the United States. I study the role of sectoral differences between goods and services in price rigidity and in demand composition across the income distribution—two features I document in the data. I develop a two-sector heterogeneous-agent model with sector-specific nominal rigidities and non-homothetic preferences to quantify their implications for monetary policy transmission. The shift toward services between 1970 and 2019 strengthened the effectiveness of monetary policy by 21%. As services prices are less responsive than goods prices, structural transformation raises aggregate price rigidity, flattens the Phillips curve, and amplifies the short-run transmission of monetary policy. Low-wealth households bear the largest welfare loss after a contractionary shock, with structural transformation amplifying these distributional effects. Finally, while structural transformation amplifies the impact of monetary policy shocks, it dampens the effects of supply shocks by shifting activity toward a less price-volatile sector.*

## Publications

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[The Full, Persistent, and Symmetric Pass-Through of a Temporary VAT Cut](#)  
with Ricardo Duque Gabriel, João Quelhas, and Márcia Silva-Pereira  
**Journal of Public Economics (2025)**

[Asset Liquidity and Fiscal Consolidation Programs](#) (pre-Ph.D.)  
**Notas Económicas (2020)**

## Working Papers

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**Monetary Policy and Household Portfolio Composition**

with Pedro Brinca, Ana Melissa Ferreira, Hans Holter, Luís Teles Morais, and Mariana N. Pires

*How does monetary policy affect household portfolio composition? Resorting to highly granular data on the balance sheets of Norwegian households, we analyze how their wealth portfolios change in response to well-defined monetary policy shocks. We document three empirical facts on the aggregate response of households after a 1 percentage point increase in the policy rate. i) The total value of households' portfolios decreases by 4.1% two years after the shock; ii) monetary policy tightening decreases the risk exposure of portfolios, in particular the value of stocks, bonds, and mutual funds; iii) stock market participation is unaffected by monetary policy, but those who already own stocks increase their holdings. We find pronounced heterogeneity in the responses, noting these additional facts: iv) the drop in risky asset values is mostly driven by the wealthiest 10 percent, while a short-term positive response of safe assets comes from middle-class households' portfolios; v) middle-aged homeowners benefit from a short-term house price appreciation, but for younger households, the effect becomes negative over time, indicating that tighter policy delays entry into home ownership.*

**The Costs of Building Walls: Immigration and the Fiscal Burden of Aging in Europe**

with Francesco Franco and Luís Teles Morais

*In low-fertility societies with regular immigration inflows of young workers, reducing immigration disproportionately raises dependency ratios as native populations shrink. This creates a convex policy frontier: restricting migration raises fiscal costs at an increasing rate. We quantify this mechanism using a population model combined with novel estimates of immigrants' fiscal contributions in Euro area countries. Eliminating immigration raises the fiscal burden of aging by 16%, while doubling inflows reduces it by only 9%. The convexity generates large cross-country differences in fiscal gains from immigration, complicating common European policy design. Increasing fertility does not provide comparable relief*

**The Heterogeneous Effects of Supply Shocks in Necessity Goods**

with Pedro Brinca, Saman Darougheh, and Márcia Silva-Pereira

*We study the efficacy of price subsidies—implemented via lower value-added taxes—in addressing sectoral supply shocks in the presence of non-homothetic preferences and imperfect pass-through. In our heterogeneous-agent model, sectoral shocks generate recessions in both necessity and luxury goods, with necessity recessions imposing larger costs on the bottom 30% of the income distribution. A subsidy that lowers the price of necessity goods is welfare-reducing: high-income households respond disproportionately even though these goods account for a smaller share of their consumption. In contrast, cash transfers reduce the welfare losses associated with sectoral supply shocks. Central to our findings is that the model aligns closely with the empirically observed non-homothetic behavior of households and the imperfect pass-through, which we also document.*

**Why VAT Pass-Through Varies Across Countries: The Role of Market Power**

with Pedro Brinca, Saman Darougheh, and Márcia Silva-Pereira

*We show that VAT pass-through rates depend systematically on market concentration using data from 16 European countries covering 1999-2019. Low-concentration industries exhibit 50% contemporaneous pass-through to consumer prices, while high-concentration industries show near-zero transmission. Market concentration varies substantially across countries, and this variation explains 16% of cross-country differences in pass-through rates. Our results suggest that optimal VAT policy should account for local market structure differences.*

## Other Writings

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“[Public Finances: an Intergenerational Perspective](#)” (study on the Portuguese public finances sustainability) with Francesco Franco, Luís Teles Morais, and João Jalles

“[Um ano depois do IVA zero: o que aprendemos e o que não aprendemos?](#)” (op-ed about VAT 0 policy) with Márcia Silva-Pereira

“[Um Nobel sobre a Democracia](#)” (op-ed about the 2024 Nobel prize laureates work)

## Professional Activities

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<b>Research Assistantships</b>	RA to Pedro Brinca (2018/19) RA to Francesco Franco (2018/19) RA to José Tavares (2017/18)
<b>Referee Activity</b>	Portuguese Economic Journal, Journal of Pension Economics and Finance
<b>Research Visits</b>	Banco de Portugal (2024, 2025), Danmarks Nationalbank (2023), London School of Economics (2022/23)
<b>Department Service</b>	IIES Brownbag organizer (2023-2025), Ph.D. Welcome committee (2021)
<b>Conferences Organized</b>	SUDSWEC 2024, IMDb SI 2024

## Presentations

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<b>2025</b>	Portuguese Tax Authority; University of Mannheim; Stockholm University; BSE Summer Forum; ENTER Jamboree; IMDb SI; PEJ; Banco de Portugal; Graduate Workshop on Heterogeneous Agent Macroeconomics; SUDSWEC; Doctoral Workshop on Quantitative Dynamic Economics; 14 <sup>th</sup> National Ph.D. Workshop in Finance (ShoF)
<b>2024</b>	Lisbon Migration Economics Workshop; Stockholm University; IMDb SI; GPEARI/GEE; PEJ; SUDSWEC; Swedish Conference in Economics; Workshop of the ESCB Network of Microsimulation Modelling; 3 <sup>rd</sup> Conference “Portuguese Around the World: Central Banking Edition”
<b>2023</b>	60 <sup>th</sup> Annual Meetings of the Public Choice Society; LSE; PEJ; SUDSWEC; 12 <sup>th</sup> National Ph.D. Workshop in Finance (ShoF); Stockholm University
<b>2022</b>	Stockholm University; PEJ

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## Teaching Experience

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2021	Macroeconomics, TA for <a href="#">Roine Vestman</a> (Stockholm University)
2018-2020	Principles of Macroeconomics, TA for <a href="#">José Costa</a> and <a href="#">José F. Machado</a> (Nova SBE)
2018-2019	Intermediate Macroeconomics, TA for <a href="#">Pedro Brinca</a> and <a href="#">João B. Duarte</a> (Nova SBE)
2017	Calculus I, TA for <a href="#">Maria H. Almeida</a> (Nova SBE)

## Honors, Scholarships, and Fellowships

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2022	Research visit grant, Jan Wallander and Tom Hedelius Foundation (SEK 490 000)
2020	Ph.D. Scholarship, Portuguese Foundation for Science and Technology
2019	Award “Best Teaching Assistant”, Nova SBE
2017	Nova Fellowship for Excellence. Nova SBE
2016	Erasmus scholarship, UNL
2014	Award “Best 35 new students”, Nova SBE

## Language Knowledge

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**Computer:** MATLAB, LaTeX, Python, Stata

**Human:** Portuguese (native), English (fluent), French, Italian, and Spanish (beginner)