

Alexander H. von Hafften

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<https://vonhafften.github.io>

EDUCATION

University of Wisconsin–Madison, Madison, WI

Research Fields: Macroeconomics, Finance

Ph.D. in Economics and Finance (jointly awarded)

M.S. in Economics

Anticipated May 2026

December 2022

Lewis & Clark College, Portland, Oregon

B.A. in Mathematics/Computer Science and Economics

May 2015

WORKING PAPERS

Secondary-Market Capital Prices and Financial Frictions in Real Business Cycles (Job Market Paper)

Secondary market capital prices are procyclical and volatile. This paper quantifies the role of financial frictions in amplifying secondary market capital price changes in response to aggregate productivity shocks. To do so, I develop a quantitative industry equilibrium model of investment and capital reallocation with heterogeneous firms, endogenous entry and exit, and heterogeneous capital durability. I calibrate the model to match key moments in the dynamics of the universe of U.S. firms. Financially constrained firms are net buyers of less durable capital because of its lower upfront cost despite its lower future resale value. Financially constrained firms are more responsive to aggregate productivity shocks than less financially constrained firms, so financial frictions amplify movements in secondary market capital prices. I decompose secondary market capital price volatility into 83 percent fundamental volatility and 17 percent amplification from financial frictions. I then explore two related questions. First, I decompose aggregate output volatility into 63 percent when secondary market capital prices are held fixed and 24 percent with fundamental volatility in secondary market capital prices, leaving the remaining 13 percent related to the financial amplification of secondary market capital prices. Second, I find that pecuniary externalities associated with secondary market capital prices are countercyclical. This suggests that policies such as investment subsidies, which may alleviate these externalities, should be countercyclical.

[The Consequences of Missing the Trees for the Forest](#) with [Michael B. Nattinger](#)

We document that the heterogeneity of carbon emission intensity across U.S. public firms is substantial and persistent. Using a tractable heterogeneous-firm GE model, we show that heterogeneity in carbon dependence is quantitatively relevant for determining the socially optimal carbon tax. With heterogeneity in this dimension and endogenous entry and exit, the firm distribution becomes endogenously greener in terms of production technology in response to carbon taxes - a composition effect which is absent from models without this heterogeneity. Omitting this channel, the model-implied Pigouvian tax which implements the socially optimal allocation is 50 percent higher than when the composition effect is present, suggesting that integrated assessment models abstracting from this form of heterogeneity may recommend carbon taxes that are larger than optimal. Nevertheless, we find that the welfare consequences of implementing the too-large carbon taxes are much smaller than the consequences of ignoring climate change altogether.

PROFESSIONAL AND RESEARCH EXPERIENCE

UW-Madison , Research Assistant for Dmitry Orlov (Finance)	Fall 2024–Spring 2025
International Monetary Fund , Dissertation Intern European Department (Advanced Economics) Supervisors: Nathaniel Arnold, Goesta Ljungman, Asghar Shahmoradi	Summer 2023
UW-Madison , Research Assistant for Dean Corbae (Economics & Finance)	Spring 2023
UW-Madison , Research Assistant for Roberto Robatto (Finance)	Summer 2022
Federal Reserve Board , Research & Statistics, Financial Analyst	Sept. 2017–Sept. 2020
Federal Reserve Board , Research Assistant for Wayne Passmore	Sept. 2015–Sept. 2017

TEACHING EXPERIENCE

First-Year Ph.D. Macroeconomic Theory Teaching Assistant <i>Received Juli Plant Grainger Institute TA Scholarship for Fall 2021 and Spring 2022</i>	Fall 2021–Fall 2022 UW-Madison
Data Science in R Instructor	Fall 2018–Spring 2020 Howard University

SERVICE

Referee for Economic Theory (2022), Atlantic Economic Journal (2019)

Organizer of Finance, Macro, and International (FMI) Student Seminars in 2023 (UW-Madison)

HONORS, AWARDS & SCHOLARSHIPS

Juli Plant Grainger Institute Summer Research Fellowship	Summer 2023
Juli Plant Grainger Institute TA Scholarship	January 2022, May 2022
National Science Foundation Graduate Research Fellowship	May 2020
The Worldly Philosopher Award <i>(Lewis & Clark College Economics Department award for the graduating economics major who made the greatest overall academic and service contribution)</i>	May 2015
Phi Beta Kappa <i>(Liberal Arts Honor Society)</i>	May 2015
Pi Mu Epsilon <i>(Mathematics Honor Society)</i>	May 2015

PRE-DOCTORAL PUBLICATIONS, TECHNICAL REPORTS, AND SHORT PAPERS

DU, F., HANCOCK, D., AND VON HAFFTEN, A. Are incurred loss standards countercyclical? A case study using bank holding company data. *Journal of Risk and Financial Management* 15, 3 (2022)

PASSMORE, W., AND VON HAFFTEN, A. Financing affordable and sustainable homeownership with Fixed-COFI mortgages. *Regional Science and Urban Economics* 80 (2020)

BIRN, M., DE BANDT, O., FIRESTONE, S., GIRAULT, M. G., HANCOCK, D., KROGH, T., MIO, H., MORGAN, D., PALVIA, A., SCALONE, V., STRAGHAN, M., ULUC, A., VON HAFFTEN, A., AND WARUSAWITHARANA, M. The costs and benefits of bank capital – a review of the literature. *Journal of Risk and Financial Management* 13, 74 (2020)

VON HAAFTEN, A. Assessing major country exposures of U.S. banks using 009a Data Reports: A Brexit case study. *Finance and Economics Discussion Series Notes* (2019)

SCHMITZ, S., RUFFINO, D., STEINER, K., MARTIN, C., TOADER, O., TERAMURA, T., VON HAAFTEN, A., KUTLUKAYA, M., AND BARAKOVA, I. Survey on the interaction of regulatory instruments: results and analysis. *Basel Committee Working Paper* (2019)

PASSMORE, W., AND VON HAAFTEN, A. Are Basel's capital surcharges for global systemically important bank too small? *International Journal of Central Banking* 15, 1 (2019)

PASSMORE, W., AND VON HAAFTEN, A. GSE guarantees, financial stability, and home equity accumulation. *Federal Reserve Bank of New York Economic Policy Review* (2018)

REFERENCES

Professor Dean Corbae (Chair)
William Sellery Trukenbrod Chair
Departments of Economics & Finance
University of Wisconsin – Madison
corbae@ssc.wisc.edu

Professor Oliver Levine
Associate Professor
Howard and Judith Thompson Professor
Departments of Finance
University of Wisconsin – Madison
oliver.levine@wisc.edu

Professor Kenneth D. West
John D. MacArthur and Ragnar Frisch Chair
Departments of Economics
University of Wisconsin – Madison
kdwest@wisc.edu

MISCELLANEOUS

Technical Proficiency: R, Julia, Matlab, Python, Latex

Nationality: United States

Marital Status: Married

Birth Year: 1993

October 20, 2025