

THOMAS WALSH

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Current Position

European University Institute,
PhD Candidate in Economics

2017 - 2023 (expected)

References:

Russell Cooper

Professor of Economics
European University Institute
russellcoop@gmail.com

Thomas Crossley

Professor of Economics
European University Institute
tfcrossley@gmail.com

Edouard Challe

Professor of Economics
European University Institute
edouard.challe@eui.eu

Research Interests

Macroeconomics, Labour Economics, Monetary and Fiscal Policy, Econometrics

Job Market Paper

1. Job Search and the Threat of Unemployment Benefit Sanctions

How does the threat of punishment in the unemployment insurance system affect job search behaviours and subsequent labour market outcomes? This paper uses a difference-in-differences design, leveraging the differential response of districts to sanctioning policy reform in the United Kingdom during the early 2010s to examine the impact of unemployment benefit sanctioning threat on jobseeker exit from unemployment and future outcomes. Using working life histories constructed from panel survey data, results show that average district sanctioning rate increases exit speed from unemployment. The effect is driven mostly by transitions into employment, and early retirements of those aged over fifty. Treated districts experience more churn in the labour market – the unemployed start to experience more cumulative spells of unemployment compared to the control, and the probability that the next spell of continuous employment reaches one, two and three years falls. Overall, causal estimates are consistent with workers substituting market insurance for missing social insurance.

Working Papers and Work in Progress

2. Sectoral Volatility and the Investment Channel of Monetary Policy

(with *Ozgen Ozturk*, *Slides*, *SSRN*)

How does the dispersion of firm-level shocks affect the investment channel of monetary policy? Using firm-level panel data, we construct several measures of dispersion of shocks, time-pooled and time-varying, and interact high-frequency identified monetary policy shocks with these measures of idiosyncratic shock volatility. We document a novel fact: monetary policy has dampened real effects via the investment channel when firm-level TFP shock volatility is high. Our estimates for dampening effects of volatility are statistically and economically significant - moving from the tenth to the ninetieth percentile of the volatility distribution approximately halves point estimates of impulse response functions to contractionary monetary policy shocks. Given that dispersion rises in recessions, these findings offer further evidence as to why monetary policy is weaker in recessions, and emphasize the importance of firm heterogeneity in monetary policy transmission.

3. Government Spending Multipliers in Firm-level Production Networks: Size versus Centrality

(with *Wolfram Horn*, draft coming soon)

4. Making the Cut: Close Elections and Local Welfare Policies

(with *Nikolaj Broberg* and *Tuuli Tahtinen*, draft coming soon)

Presentations

2022

- Ruhr Graduate School Doctoral Conference
- Spring Meeting of Young Economists, *University of Orleans*
- EUI Alumni Conference, *European University Institute* (poster)
- Money, Macro and Finance (MMF) Society Annual Conference, *University of Kent*
- Naples School of Economics and Finance PhD and Post-Doctoral Workshop, *University of Naples*

Teaching Experience

Time Series Econometrics, *EUI PhD First Year Course*.

- TA for Jesus Bueren (2022, 2020)
- Russell Cooper (2020)
- Juan Dolado (2019)

Dynamic Factor Demand (Firm Dynamics), *EUI PhD Second Year Course* (2020)

- TA for Russell Cooper

Debt and the Macroeconomy, *Florence School of Finance Short Course* (2022)

- TA for Moritz Schularick

Prior Education

European University Institute 2018

MRes in Economics

Barcelona Graduate School of Economics (BGSE) 2014

MSc in Economics

University of Bristol 2011

BSc Economics and Econometrics

Prior Work Experience

European Central Bank 2016/17

Analyst, External Developments/DG International

European Commission 2015/16

Analyst, Macroeconomy of Euro Area/DG Economics and Finance ECFIN

Bruegel 2014/15

Research Assistant, Macro and International Economics

Uni. Glasgow, Social and Public Health Sciences Unit 2012

Research Assistant

Uni. Bristol, Centre for Market and Public Organisation 2011

Research Intern

Other Skills

Software: Stata, Matlab, Julia, R

Languages: English (native) Spanish (good/decent) Italian, French, German (basic)