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Curriculum Vitae

Education

- Since September 2005* **PhD Candidate in Economics, European University Institute, Florence, Italy**
(Completed by August 2009) • Supervisors: Prof. Morten O. Ravn, Prof. Giancarlo Corsetti
- September 2001* **MSc Economics, University of Warwick, England**
• Ranked 1st among all graduates
- June 2000* **Diplôme de l'IEP de Paris, Institut d'Etudes Politiques, Paris, France**
• *Cum Laude* (between the 2nd and 11th percentile of all graduates)
- July 1998* **Bachelors in European Studies, Universität Osnabrück, Germany**

Research

Fields of Interest

- International Macroeconomics
- Macroeconomic Theory

PhD Thesis

- Chapter 1 (Job Market Paper): "Domestic or global imbalances? Rising inequality and the fall in the US current account".
- Chapter 2: "The home bias of the poor: terms of trade effects and portfolios across the wealth distribution", available as EUI Working Paper ECO 2008/28.

Articles in Refereed Journals

- "Emerging Market Lending: Is moral hazard endogenous?" *Journal of Economic Development* Vol. 32, No. 2, December 2007.
- "Recent movements in the Peso exchange rate: What does UIP tell us?" (in Spanish), *Economía Chilena*, December 2004.

Working Papers

- "Money as an indicator for output and inflation in Chile - not anymore?" (in Spanish). Central Bank of Chile Working Paper 319, 2005.
- "Money as an indicator for inflation in Chile – does Pstar still work?", Central Bank of Chile Working Paper 293, 2004.
- "Consumption and household money" (in Spanish), Central Bank of Chile Working Paper 275, 2004.

Conference and Seminar Presentations

- Econometric Society European Winter Meetings 2008, Cambridge (October 2008)
- Pietra Mondragone Workshop, Florence (July 2008)
- Cornell University Macro Seminar (September 2007)
- Bank of England Monetary Analysis Department Seminar (July 2007)
- Banco Central de Chile Economics Seminar (January 2005, August 2004)
- Universidad Católica de Santiago Economics Seminar (October 2004)
- Encuentro de la Sociedad de Economía de Chile 2004 (September 2004)
- ECB Seminar "Asset Prices and Monetary Policy" (December 2003)
- Royal Economic Society Annual Conference 2002

Referee Service

- Journal of Development Economics, Bank of England Working Paper Series.

Academic Visits

- New York University Economics Department, Autumn 2007.

Professional Experience

October 2001

- August 2005

Bank of England, London

- Economist, Monetary Analysis Department
- Conjunctural assessment and forecasting, research (optimal monetary policy, empirical models of consumption, exchange rate determination)

February 2004

- January 2005

Central Bank of Chile, Santiago

- Secondment to Macro Analysis Department
- Research and consulting (design of a quarterly assessment of monetary and financial conditions)

Internships:

OECD, Paris (1999); German Federal Parliament, Bonn (1998); European Parliament Vice Presidency, Brussels (1997); Mercedes Benz Ag, Stuttgart (1996)

Teaching Experience

- Lecturer: "Probability Theory", EUI PhD programme, Fall 2006.
- Teaching Assistant: "Macroeconomics III: Money, Business Cycles and Economic Policy", EUI PhD programme, Spring 2007 and Spring 2008.

Prizes and Awards

- German Academic Exchange Service Annual Scholarships 1998, 2005, 2006, 2007.
- University of Warwick, MSc 2001: Examiner's Prize (ranked 1st among all graduates).

Language Skills

German: Mother tongue

English: Fluent (r/w/s, TOEFL Score 280/ 300)

French: Fluent (r/w/s)

Italian: Fluent (r,s), Proficient (w)

Spanish: Fluent (r,s), Proficient (w)

Personal Information

D.O.B.: 11th March 1975

Nationality: German

References

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Professor Ramon Marimon

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Job Market Paper

Domestic or global imbalances? Rising inequality and the fall in the US current account

This paper shows how the rise in individual income risk in the US since the 1980s might help explain the fall in its foreign asset position. The key to this result is endogenous financial deepening in an open economy with participation-constrained domestic financial markets. More volatile income makes individuals less inclined to default on financial contracts as this triggers exclusion from future financial trade. And lower incentives to default increase the insurability of income shocks, thus lowering the need for precautionary savings. My theoretical results are based on an analytical solution to the stationary consumption distribution in a small open economy with participation-constrained domestic markets. Across stationary equilibria, higher income risk can lower mean consumption and aggregate assets. Consumption inequality, on the other hand, is almost entirely determined by the level of world interest rates, and thus remains largely unaffected by changes in income risk. A quantitative exercise shows that the observed rise in individual income risk in the US since the 1980s can explain a significant fall in net foreign assets.

Second Paper

The home bias of the poor: terms of trade effects and portfolios across the wealth distribution

Wealthier people generally hold a larger part of their savings in risky assets. Using the US Survey of Consumer Finances, I show that wealthier households also have a higher portfolio share of foreign assets. This relative home bias of the poor does not seem to be explained by fixed participation costs alone, as the portfolio share of foreign assets increases with financial wealth even among participants in foreign asset markets. This paper shows how both biases of poorer agents' portfolios, towards safe and home assets, can arise in a simple two country economy with income and portfolio heterogeneity. Poor investors are naturally biased against domestic equity when wages and capital returns are positively correlated, making equity a bad hedge against fluctuations in labour income relative to bonds. Moreover poor investors prefer home to foreign bonds if equilibrium terms of trade movements systematically lead to a fall in the purchasing power of domestic assets in periods of high wages. I show that this is likely to be the case if aggregate supply shocks at home are more important than abroad. Finally, the model shows that aggregate home bias in the country portfolio implies relative home bias of the poor and vice versa.