Philipp Lieberknecht CV

Contact Information

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Current Position

Since 04/2016 Research and Teaching Assistant
Institute for Monetary and Financial Stability, Goethe University Frankfurt

Education

Since 10/2014 Ph.D. in Economics, Graduate School of Economics, Finance and Management, Goethe University Frankfurt, Germany
Thesis: "Essays on Monetary, Macroprudential and Fiscal Policy with Financial Frictions"
Advisors: Volker Wieland, Ph.D. and Mirko Wiederholt, Ph.D.

2012 - 2014 M.Sc. in Economics, University of Cologne, Germany

2009 - 2012 B.Sc. in Economics, University of Muenster, Germany

Research Fields

Primary: Macroeconomics, Monetary Economics, Macro-Finance
Secondary: Household Finance, Inequality

Job Market Paper

"Financial Frictions, the Phillips Curve and Monetary Policy"

Publications

"Model Uncertainty in Macroeconomics: On the Implications of Financial Frictions" (with Michael Binder, Jorge Quintana and Volker Wieland). Forthcoming in: "The Economics of Central Banking: An Oxford Handbook in Economics", 2019, Oxford University Press.

Working Papers

"Coordinating Monetary and Macroprudential Policy under Model Uncertainty" (with Michael Binder, Jorge Quintana and Volker Wieland). Previous version available as MACFINROBODS Working Paper 11.5.

"Inequality and Relative Saving Rates" (with Philip Vermeulen). Forthcoming as ECB Working Paper.

"On the Macroeconomic and Fiscal Effects of the Tax Cuts and Jobs Act" (with Volker Wieland).

"Fiscal Multipliers in Policy-Focused Models with Financial Sector Risk" (with Michael Binder and Volker Wieland). MACFINROBODS Working Paper 6.4.

Research and Work Experience

06/2018 - 09/2018 International Monetary Fund, Fiscal Policy Division, Fund Internship Program
09/2017 - 06/2018 European Central Bank, Monetary Policy Research Division, Ph.D. Trainee
07/2013 - 10/2013 Deutsche Bundesbank, Banking and Financial Supervision, Research Intern
04/2013 - 04/2014 University of Cologne, FiFo Institute for Economic Policy, Student Assistant
03/2013 - 03/2013 German Federal Ministry of Finance, International Economy and Finance, Intern
06/2012 - 08/2012 Deutsche Bank, Research Department, Intern
04/2012 - 06/2012 Cologne Institute for Economic Research, Education and Labor Markets, Intern
05/2011 - 04/2012 University of Muenster, Center of Applied Economic Research, Student Assistant
08/2008 - 09/2009 Citibank, Credit-MIS and Analysis, Intern

Teaching Experience

Summer 2017	Teaching Assistant for "Monetary and Fiscal Policy: Theory and Practice" 2nd-year Ph.D. course, Prof. V. Wieland, Goethe University Frankfurt
Winter 2016	Teaching Assistant for "Macro-Financial Modeling" 2nd-year Ph.D. seminar, Prof. V. Wieland, Goethe University Frankfurt
Winter 2016	Teaching Assistant for Macroeconomics I 2nd-year Bachelor course, Prof. M. Binder, Goethe University Frankfurt
Winter 2016	Instructor for Linear Algebra Ph.D. pre-semester course, GSEFM Frankfurt
Winter 2015	Teaching Assistant for Macroeconomics I 2nd-year Bachelor course, Prof. M. Binder, Goethe University Frankfurt
Since 2016	Supervision of B.Sc. (x6) and M.Sc. (x2) Theses in Monetary Theory and Policy, Goethe University Frankfurt

Conference and Seminar Presentations

2018	8th Bundesbank-CFS-ECB Workshop on Macro and Finance; Bundesbank Conference on Financial Cycles and Regulation; XX Annual Inflation Targeting Conference Banco Central do Brasil; European Central Bank DG Research Seminar; Theories and Methods in Macroeconomics Conference; Household Finance and Consumption Network Meeting; 11th RGS Doctoral Conference in Economics; Goethe University Money and Macro Brown Bag Seminar
2017	Bundesbank Financial Stability Seminar; Goethe University Money and Macro Brown Bag Seminar
2016	3rd MACFINROBODS Consortium Scientific Workshop; Goethe University Money and Macro Brown Bag Seminar

Discussions

2018	"Coordinating Monetary and Financial Regulatory Policies" by A. Van der Ghote (XX Inflation Targeting Conference Banco Central do Brasil) "Macroeconomic Effects of Capital Tax Rate Changes" by S. Bhattarai, J.W. Lee, W.Y. Park and C. Yang (2nd MMCN Research Conference) "Liquidity ratios as monetary policy tools" by E. Monnet and V. Miklos (T2M Conference)
2017	"Financial Regulation and Shadow Banking: A Small-Scale DSGE Perspective" by P. Fève and O. Pierrard (1st MMCN Research Conference)

Scholarships, Awards and Grants

Since 2015	Ph.D. Scholarship Stiftung der Deutschen Wirtschaft
2016 - 2017	MACFINROBODS Grant, European Community's 7th Framework Programme
2015	Best First-Year Ph.D. Student Award at GSEFM Frankfurt
2014	First-Year Ph.D. Scholarship GSEFM Frankfurt
2013	Dean's Award Top 5 % at University of Cologne
2012-2014	M.Sc. Scholarship Stiftung der Deutschen Wirtschaft
2012	Dean's Award Top 5 % at University of Muenster

References

Prof. Volker Wieland, Ph.D.
Goethe University Frankfurt
Chair of Monetary Economics
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Prof. Mirko Wiederholt, Ph.D.
Sciences Po, Paris
Professor of Economics
E-Mail: Mirko.Wiederholt@gmail.com

Philip Vermeulen, Ph.D.
European Central Bank
Monetary Policy Research Division
Directorate General Research
E-Mail: philip.vermeulen@ecb.int

Prof. Michael Binder, Ph.D.
Goethe University Frankfurt
Chair for International
Macroeconomics & Macroeconometrics
E-Mail: mbinder@wiwi.uni-frankfurt.de

Research Papers

"Financial Frictions, the Phillips Curve and Monetary Policy" (Job Market Paper)

Abstract: How does the presence of financial frictions alter the Phillips curve and the conduct of optimal monetary policy? I investigate this question in a tractable small-scale New Keynesian DSGE model with a financial accelerator. The accelerator amplifies shocks, decreases the slope of the Phillips curve and renders forward-looking behavior more relevant for current macroeconomic dynamics. I show analytically that these three factors imply an inflationary bias of discretionary monetary policy relative to the standard model and a stabilization bias relative to commitment policy. A conservative central banker who places a larger weight on inflation stabilization than society is able to reduce both biases and closely mimics the optimal policy under commitment. The required degree of inflation conservatism increases in the extent to which financial frictions are present.

"Model Uncertainty in Macroeconomics: On the Implications of Financial Frictions". Joint with M. Binder, J. Quintana and V. Wieland. Forthcoming in: "The Economics of Central Banking: An Oxford Handbook in Economics", 2019, Oxford University Press.

Abstract: For many years, structural macroeconomic models used at central banks for policy evaluation have exhibited New Keynesian features such as nominal rigidities and forward-looking decision-making. More recently, new contributions have added more detailed characterizations of the financial sector. This chapter employs a comparative approach to investigate the characteristics of this new generation of macro-financial models and documents increased model uncertainty. Policy transmission is highly heterogeneous across types of financial frictions and monetary policy has larger effects, on average. A simple policy rule optimized to perform well over several models with financial frictions involves a weaker response to inflation and the output gap than in earlier models. Including a response to financial variables such as credit growth does not improve performance very much, yet a response to output growth does. Models with financial frictions produce somewhat better forecasts. Overall, model-averaging yields a more robust framework for designing monetary policy.

"Coordinating Monetary and Macroprudential Policy under Model Uncertainty". Joint with Michael Binder, Jorge Quintana and Volker Wieland. Previous version available as MACFINROBODS Working Paper 11.5.

Abstract: We investigate the performance of optimized macroprudential policy rules within and across three canonical New Keynesian DSGE models with banking frictions. Under perfect coordination between macroprudential and monetary policy, model-specific optimized policy rules are highly heterogeneous across models and imply large losses when evaluated in other models. This lack of robustness to model uncertainty occurs because monetary policy leans towards financial stability and neglects inflation targeting. A Stackelberg regime with the central bank acting as first mover restricts monetary policy to pursue inflation targeting and hence yields smaller potential costs due to model uncertainty. An even more effective approach for policymakers to insure against model uncertainty across banking friction models is to design Bayesian model-averaged optimized macroprudential rules, regardless of the regime of interaction.

"Inequality and Relative Saving Rates". Joint with Philip Vermeulen. Forthcoming as ECB Working Paper.

Abstract: We estimate the long- and short-run relationship between top income and wealth shares for France and the US since 1913. We find strong evidence for a long-run cointegration relationship governed by relative saving rates at the top. For both countries, we estimate a decline in the relative saving rates at the top after the 1970s, equivalent to a reduction of the long-run gap between wealth and income inequality compared to the period before. In the short-run, income inequality drives wealth inequality, while the converse link is weaker and slower. Using counterfactual simulations, we find that the recent rise in wealth inequality in the US is largely attributable to the contemporary increase in income inequality. Modest income concentration dynamics and a stronger decline in relative saving rates at the top than in the US contributed to a more subdued rise in wealth inequality in France.

"On the Macroeconomic and Fiscal Effects of the Tax Cuts and Jobs Act". Joint with Volker Wieland.

Abstract: We analyze the macroeconomic effects of the Tax Cuts and Jobs Act (TCJA) proposed by the US administration under President Trump. Main elements of the bill are a permanent cut of corporate taxes and temporary decreases of income taxes, alongside numerous sunset provisions altering the effective corporate tax rate. We use a large-scale two-country DSGE model with a detailed modelling of the fiscal sector, allowing

to differentiate between the statutory capital tax and the effective rate. We find that GDP in the US increases by 2.1% in the medium-run and 2.6% in the long-run. The decrease in tax revenue leads to an increase of debt-to-GDP by 15.5 percentage points until 2025. Main drivers of the expansion are increased investment in capital and a real depreciation of the dollar. Making the temporary provisions of the TCJA permanent raises the long-term expansionary effect on GDP to 5.7%, but leads to an even larger surge in government debt. Combining the TCJA with spending cuts can improve fiscal sustainability without dampening the expansionary effect.

"Fiscal Multipliers in Policy-Focused Models with Financial Sector Risk". Joint with Michael Binder and Volker Wieland. MACFINROBODS Working Paper 6.4.

Abstract: We analyze government expenditure and tax multipliers in three New Keynesian models with and without financial frictions and estimated for the Euro Area. The extent to which the combination of financial frictions and a binding zero lower bound increases multipliers temporarily above unity depends on how strongly monetary policy responds when the zero lower bound period ends. Refinancing additional government expenditure is not considerably cheaper in a liquidity trap. Output effects of tax rate decreases are generally lower than those based on direct government expenditure changes. Fiscal consolidation at the zero lower bound succeeds in reducing debtto GDP and providing stimulus if it combines a reduction of government expenditure and transfers with a decrease of labor tax rates.