

# KAREL MERTENS

December 12, 2019

FRB Dallas  
2200 N. Pearl Street, Dallas, TX 75201  
Tel: (214) 922-6000  
EMAIL: mertens.karel@gmail.com

**Citizenship:** US, Belgium

**Family Status:** Married, two children

## EMPLOYMENT:

Senior Economic Policy Advisor, FRB Dallas	Since 2017
Associate Professor of Economics (tenured), Department of Economics, Cornell University	2014-2017
Assistant Professor of Economics, Department of Economics, Cornell University	2007-2014
Wesley Clair Mitchell Visiting Associate Research Professor at Columbia University	Fall 2016

## OTHER AFFILIATIONS:

Research Fellow, CEPR (Monetary Economics & Fluctuations)	Since 2018
Research Affiliate, CEPR (International Macroeconomics)	2011-2018
Research Associate, NBER (Monetary Economics)	2015-2017
Faculty Research Fellow, NBER (Monetary Economics)	2013-2015

## EDUCATION:

Phd Economics, European University Institute	2003-2007
MSc Economics, London School of Economics	2002-2003
Licentiaat in Economics, Ghent University	1998-2002

## ARTICLES IN JOURNALS:

**Comment on State-Level Implications of Federal Tax Policies**, by Chang Liu and Noah Williams, *Journal of Monetary Economics* 105 (August 2019)

**The Dynamic Effects of Personal and Corporate Income Tax Changes in the United States: Reply to Jentsch and Lunsford**, forthcoming *American Economic Review*

**Comment on ‘Macroeconomic effects of the 2017 tax reform’**, by Robert J. Barro and Jason Furman, *Brookings Papers on Economic Activity* Spring 2018, pp. 314–327.

**Marginal Tax Rates and Income: New Time Series Evidence** (2018), joint with Jose Montiel-Olea, *The Quarterly Journal of Economics* Vol. 133 Issue 4, pp. 1803–84

**The Macroeconomic Effects of Government Asset Purchases: Evidence from Postwar US Housing Credit Policy** (2018), joint with Andrew Fieldhouse and Morten Ravn, *The Quarterly Journal*

*of Economics* Vol. 133 Issue 3, pp. 1503–60

**Fiscal Policy in an Expectations Driven Liquidity Trap**, joint with M. Ravn,

*Review of Economic Studies*, Vol.81 (4), pp 1637-1667, October 2014

**A Reconciliation of SVAR and Narrative Estimates of Tax Multipliers**, joint with M. Ravn,

*Journal of Monetary Economics*, Vol. 68, pp. S1-S19, December 2014

**The Dynamic Effects of Personal and Corporate Income Tax Changes in the United States**,

joint with M. Ravn, *American Economic Review* Vol. 103:4, pp. 1212–1247, June 2013

**Empirical Evidence on the Aggregate Effects of Anticipated and Unanticipated U.S. Tax Policy Shocks**, joint with M. Ravn, *American Economic Journal: Economic Policy* Vol. 4:2, pp. 145–

181; May 2012

**Leverage and the Financial Accelerator in a Liquidity Trap**, joint with M. Ravn, *American*

*Economic Review P&P*, Vol. 101:3, pp. 413-416; May 2011

**Understanding the Aggregate Effects of Anticipated and Unanticipated Tax Policy Shocks**,

joint with M. Ravn, *Review of Economic Dynamics*, Vol. 14:1, pp. 27–54; January 2011

**Measuring the Impact of Fiscal Policy in the Face of Anticipation: a Structural VAR Approach**, joint with M. Ravn, *Economic Journal*, Vol. 120:544, pp. 393–413; May 2010

**Business Cycle Analysis and VARMA Models**, joint with Christian Kascha, *Journal of Economic Dynamics and Control* (lead article), Vol. 33:2, pp. 267-282; February 2009

**Deposit Rate Ceilings and Monetary Transmission in the US**, *Journal of Monetary Economics*, Vol. 55:7, pp. 1290-1302; October 2008

#### **OTHER PUBLICATIONS:**

**Technology-Hours Redux: Tax Changes and the Measurement of Technology Shocks** (2011), joint with M. Ravn, chapter in: *NBER International Seminar on Macroeconomics 2010*, University of Chicago Press, vol. 7(1), pp. 41–76.

**The Research Agenda: Karel Mertens and Morten Ravn on Fiscal Policy, Anticipation Effects, Expectations and Crisis**, *Economic Dynamics Newsletter* 12:2, April 2011

#### **WORKING PAPERS:**

**Do Monetary Policy Announcements Shift Household Expectations?** (2019), joint with Daniel Lewis and Christos Makridis

**Labor Outsourcing, Markups and The Labor Share** (2019), joint with Marc Giannoni

**The Near Term Growth Impact of the Tax Cuts and Jobs Act** (2018)

**A Narrative Analysis of Mortgage Asset Purchases by Federal Agencies** (2017), joint with Andrew Fieldhouse

**Credit Channels in a Liquidity Trap** (2010), joint with M. Ravn, R&R *IMF Economic Review*

**Regime Switching Interest Rates and Fluctuations in Emerging Markets** (2010), joint with Bertrand Gruss

**The Role of Expectations in Sudden Stops** (2007), CAE WP No. 07-10

**PROFESSIONAL SERVICE:**

Associate Editor, Journal of the European Economic Association	Since 2016
Associate Editor, Quantitative Economics	2015-2018
Associate Editor, Macroeconomic Dynamics	2014-2016
Editor-in-Chief, BE Journal Macroeconomics	2015-2017
Associate Editor, BE Journal Macroeconomics	2014-2015

**Refereeing:** American Economic Review, Econometrica, Journal of Political Economy, Quarterly Journal of Economics, Review of Economic Studies, Journal of Monetary Economics, Review of Economics and Statistics, Journal of Econometrics, Review of Economic Dynamics, American Economic Journal: Economic Policy, American Economic Journal: Macroeconomics, Journal of Public Economics, Journal of Economic Theory, Economic Journal, Journal of Economic Dynamics and Control, Journal of International Economics, Journal of the European Economic Association, International Economic Review, European Economic Review, Quantitative Economics, Journal of Applied Econometrics, Journal of Money Credit and Banking, Journal of Banking and Finance, Journal of International Money and Finance, International Journal of Central Banking, Macroeconomic Dynamics, Journal of Macroeconomics, Journal of Policy Analysis and Management, Fiscal Studies, IMF Economic Review, Scandinavian Journal of Economics, Oxford Bulletin for Economics and Statistics, *Economica*, *Economics Letters*, The BE Journal of Macroeconomics, NSF, Swiss NSF, European Research Council, AER Economic Insights

Member Program Committee 2019 European Meeting of the Econometric Society, 111th Annual Conference on Taxation 2018 , 2018 IAAE Annual Conference, ASSET 2008 Conference; Organizing Committee, First EUI Alumni Conference in Economics, Florence 2013

Visitor University College London

June 2012

Visitor Institute for Empirical Macroeconomics, Minneapolis Fed	June 2011
Consultant for the National Bank of Belgium	Summer 2008
Visiting Research Student, New York University, Department of Economics	Fall Term 2005

### **PRESENTATIONS AND DISCUSSIONS:**

**Invited Seminars:** Bank of Canada (scheduled 2020), Arizona State University (2019); University of Namur (2019); University of Antwerp (2019); Ghent University (2019); Federal Reserve Bank of San Francisco (2019); Cambridge University (2018); Norwegian Business School (2018); Bank of Norway (2018); Northwestern University (2017); UC San Diego (2017); Bank of International Settlements (2017); Southern Methodist University (2017); UT Austin (2017); Federal Reserve Board (2017); Carleton University (2017); Bank of Canada (2017) Federal Reserve Bank of Cleveland (2017); Federal Reserve Bank of Philadelphia (2016); Texas A&M (2016); Federal Reserve Bank of Chicago (2016); Federal Reserve Bank of Dallas (2016); University of Maryland (2015); Paris School of Economics (2015); Hong Kong University of Science and Technology (2015); University of Pennsylvania (2015); European Central Bank (2015); Federal Reserve Bank of St Louis (2015), Arizona State University (2014), HEC Montreal (2014), KU Leuven (2014), University of Mannheim (2014); Federal Reserve Bank of Chicago (2014); University of Michigan (2013); University of Virginia (2013); Boston University (2013); UT-Austin (2013); Duke University (2013); International Monetary Fund (2013); Wharton Finance (2012); London Business School (2012); Board of Governors (2012); Universitat Autònoma de Barcelona (2012); Bank of Spain (2012); Harvard University (2012); MIT (2012); Princeton University (2011); Federal Reserve Bank of Richmond (2011); Federal Reserve Bank of Minneapolis (2011); Universita de Barcelona (2011); Bocconi University (2011); National Bank of Sweden (2011); University of Rochester (2010); Federal Reserve Bank of New York (2010); Ghent University (2010); Federal Reserve Bank of San Francisco (2009); UC Davis (2009); University of Amsterdam (2008); National Bank of Norway (2008); National Bank of Belgium (2008); Federal Reserve Bank of Chicago (2008); Universidade Nova de Lisboa (2007); Université Catholique de Louvain (2007); Cornell University (2007); Nuffield College, Oxford University (2007); Universitat Pompeu Fabra (2007); Federal Reserve Bank of Atlanta (2007); Federal Reserve Bank of Boston (2007); Federal Reserve Bank of Dallas (2007); McGill University (2007); Université de Montreal (2007); Banca d'Italia (2006)

**Invited Discussions:** “*Partisan Politics in Fiscal Unions: Evidence from US States*” by G. Carlino, T. Drautzburg, R. Inman and N. Zarra, 2019 NBER EFSF/Workshop on Methods and Applications for DSGE Models, Federal Reserve Bank of Philadelphia; “*Macroeconomic Effects of Capital Tax Rate*

*Changes*” by S. Bhattarai, J.W. Lee, W.Y. Park and C. Yang, 2019 Bank of Canada Workshop Frontiers of Monetary Policy and Financial Studies”; “*State Level Implications of Federal Tax Policies*” by N. Williams and C. Liu, Carnegie Rochester NYU Conference on Public Policy 2018; “*Regional Consumption Responses and the Aggregate Fiscal Multiplier*” by B. Dupor, M. Karabarbounis, M.Kudlyak and M.S. Mehkari, FRS Macro Meeting FRB San Francisco (2018); “*The Macroeconomic Effects of the 2017 Tax Law*” by R. Barro and J. Furman, BPEA Spring 2018 Conference; “*The Effect of Tax Changes at the ZLB: Evidence from Japan*” by Miyamoto, W. Lan Nguyen, T. and Sergeyev, D., AEA meetings (scheduled 2018); “Asymmetric Responses of Consumer Spending to Energy Prices: The Role of Information and News Coverage” by Edward Knotek and Saeed Zaman, FRS Energy Meeting Oklahoma City; “*Government Spending Multipliers under the Zero Lower Bound: Evidence from Japan*” by Miyamoto, W. Lan Nguyen, T. and Sergeyev, D., Bank of Canada Workshop on Macroeconomics and the Effective Lower Bound (November 2016); “*Does the New Keynesian Model Have a Uniqueness Problem?*” by L. Christiano, M. Eichenbaum and B. Johansson, mid-year meeting of the NBER-EFSF, Chicago Fed (October 2016); “*All jobs are created equal? Examining the importance of startups for local labor demand*” by G. Carlino and T. Drautzburg, ASSA meetings San Francisco (2016); “*Austerity in the Aftermath of the Great Recession*”, by House C., Tesar L. and Probsting C., NBER Lessons from the Crisis for Macroeconomics NYU Stern (2015); “*Macrodynamics near the ZLB: A Tale of Two countries*” by B. Aruoba, P. Cuba-Borda and F. Schorfheide NBER EFSF/Workshop on Methods and Applications for DSGE Models, Federal Reserve Bank of Chicago (2014); “Private Leverage and the Time-Varying Government Spending Multiplier” by M. Bernardini and G. Peersman 2nd Belgian Macroeconomics Workshop, Ghent (2014); “*Assessing DSGE Model Nonlinearities*”, by F. Schorfheide, B. Aruoba and L. Bocola, ASSA meetings Philadelphia (2014); “*The Making Of A Great Contraction With A Liquidity Trap and A Jobless Recovery*”, by S. Schmitt-Grohe and M. Uribe, Boston University and FRB Boston Conference on Macro-Finance Linkages (2013); “*Testing for the Degree of Commitment via Set-Identification*”, by L. Coroneo, V. Corradi and P. S. Monteiro, ASSA meetings Chicago (2012); “*Managing A Liquidity Trap: Monetary and Fiscal Policy*”, by I. Werning, Milton Friedman Institute Conference on Fiscal Imbalance (2011); ‘*A New Class of Nonlinear Time Series Models for the Evaluation of DSGE Models*’, by B. Aruoba, L. Bocola and F. Schorfheide, NBER EFSF/Workshop on Methods and Applications for DSGE Models, Federal Reserve Bank of Philadelphia (2011); ‘*Disasterization: A Simple Way to Fix the Asset Pricing Properties of Macroeconomic Models*’, by X. Gabaix, ASSA meetings Denver (2011); “*Fiscal and Monetary Coordination in a Liquidity Trap*”, by G. Eggertson, Annual Conference of the Central Bank of Chile (2010), “*Fiscal Foresight: Analytics and Econometrics*”, by E. Leeper, T. Walker and S. Yang, NBER Workshop on Methods and Applications for DSGE Models, Federal Reserve Bank of Cleveland (2008)

**Conferences:** 2nd Heidelberg-Tübingen-Hohenheim Workshop on International Financial Markets (2019); FRS Macro Meeting FRB Minneapolis (2018) Keynote Address; 12th Macro Finance Workshop, Methods and Advances lecture Austin 2018; Workshop on Fiscal Policy Richmond Fed (2018); IMF Advancing the Evaluation of Tax Reforms (2018); FRS Macro Meeting FRB Chicago (2017), Wharton Conference on Liquidity and Financial Fragility (2017), NBER Summer Institute Monetary Economics Program (2017), Federal Reserve Board conference on “Developments in Empirical Monetary Economics” (2017); Inequality Workshop at the St Louis Fed (2016); 2nd Belgian Macroeconomics Workshop, Ghent (2014); Barcelona GSE Summer Forum Workshop on Micro and Macro Perspectives on Taxation (2014), CIREQ Macro Workshop on “Macro Perspectives on Public Finance” (2014), JME-SNB-SCG Conference on Financial Markets, Fiscal Policy, and Macroeconomic Activity (2012), Gerzensee; 18th Dubrovnik Economics Conference, Central Bank of Croatia (2012); Laboratory for Aggregate Economics Conference on Fiscal Policy, Santa Barbara (2012); Society for Economic Dynamics Meeting (2011, 2012, 2013); 17th International Conference for Computation in Economics and Finance (2011); NBER Monetary Economics Spring Meeting (2011); ECB conference: Monetary and Fiscal Policy Challenges in Times of Financial Stress (2010); NBER EFSF/Workshop on Methods and Applications for DSGE Models, Federal Reserve Bank of Philadelphia (2009); HEC Cirpée workshop Montréal (2009); European Summer Symposium in International Macroeconomics (2008, 2012,2014) Tarragona; Cornell/Penn State Macro Workshop (2007,2008,2010-2013); 8th Annual Bank of Finland/CEPR conference (2007); 5th MacroDynamics Workshop Banca d’Italia (2006); XV International “Tor Vergata” Conference on Money Finance and Growth (2006); INFINITI 2006 Conference Trinity College Dublin

**TEACHING:**

<b>Macroeconomic Analysis I</b> , Columbia Graduate Course	Fall term 2016
<b>Macroeconomics II</b> , Cornell Graduate Course	Spring Term 2008-2009, 2011-2017
<b>Tools in Applied Macroeconomics</b> Cornell Graduate Course	Spring Term 2016
<b>Money and Credit</b> , Cornell Undergraduate Course	Fall Term 2007-2011, 2013
<b>Intermediate Macroeconomics</b> , Cornell Undergraduate Course	Spring Term 2008-2009, 2015
<b>Macro Mini Course</b> Summer School University of Bonn	June 2015

**GRADUATE STUDENTS:**

Chair: Andrew Fieldhouse (2019, Middlebury), Jose Guerreiro Lopes (2016, Bank of America), Nobuyuki Kanazawa (2017, Soka University), John Owsley (2013, Ernst & Young);

Co-chair: Yanlei Ma (2015, Cornerstone), Nellie Zhao (2016, Capital One), Hautahi Kingi (2016, IMPAQ International), Jongrim Ha (2016, World Bank), Bryce Little (2017, Citadel LLC);

Member: Malin Hu (2019, Vanderbilt), Tilahun Emiru, Tirupam Goel (2016, Bank of International Settlements), Andrew Green (2017, OECD), Dongwhoo Kwon, Boyang Zhang (2016, Ziff Brothers Investments)

### **HONORS AND GRANTS:**

American Economic Review Excellence in Refereeing Award (2017, 2016, 2015 and 2013), Cornell Institute for the Social Sciences research grant 2015, Cornell Institute for the Social Sciences Faculty Fellowship 2012, Cornell Institute for the Social Sciences research grant 2009, EUI Economics Department Nominee for the 2008 Alumni Prize for the Best Interdisciplinary and/or Comparative Thesis on European Issues, EUI Scholarship to visit the Economics Department at New York University 2005; European University 4th year grant 2006-2007; National Grant from the Belgian Federal Government 2003-2006; Fortis Bank Prize for the best result at Ghent University 2002