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Personal Information: Male, Australian Citizen

Undergraduate Studies:
2010 Bachelor of Science/Bachelor of Commerce (1st Class Honours), University of Melbourne

Graduate Studies:
University of Oxford, 2013 to present
Thesis Title: Essays on Household Debt and Consumption
Expected Completion Date: June 2018

References:

Associate Professor Andrea Ferrero
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Professor Guido Ascari
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Associate Professor Francesco Zanetti
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Publications:
Gross, I., Hansen, J., forthcoming. Commodity Price Volatility with Endogenous Natural Resources *European Economic Review*
Natural resource reserves are exogenous in models of small commodity exporters. We consider richer supply dynamics and model exploration and depletion. These are important for capturing the effects of commodity price shocks including a commodity currency and crowding-out of non-commodity activity. We also consider how welfare and the ranking of optimal monetary and taxation policies change. Without exploration or depletion, optimal monetary and taxation policies can efficiently stabilise the economy in response to commodity price shocks. However, when exploration and depletion are accounted for, changing interest rates to offset price shocks becomes inefficient. Using taxation policy, specifically an ad valorem royalty, remains efficient.

Teaching and Research Fields:

Research fields: Macroeconomics, Monetary Economics

Teaching fields: Macroeconomics, Industrial Organization, Microeconomics

Teaching Experience:

2016 - present	Preliminary Macroeconomics, Hertford College, University of Oxford
2016 - present	Core Macroeconomics, Hertford College, University of Oxford
2015	Industrial Organization, University of Oxford, TA for Professor Howard Smith
2008 - 2010	Microeconomics, University of Melbourne, TA for Professor Jeff Borland

Research Experience and Other Employment:

2011 - 2013	Reserve Bank of Australia, Economist
2009	Melbourne Institute, Research Assistant

Seminars

2017 - European Economic Association Annual Congress, European Meeting of Econometric Society, Money Macro and Finance Annual Conference, Theories and Methods in Macroeconomics Annual Conference, International Symposium on Money Banking and Finance.

2016 - PhD Conference in Monetary and Financial Economics.

Honors, Scholarships, and Fellowships:

2015 - present	Commonwealth Scholar
2013 - 2015	Wilfred Prest Scholar

Research Papers:

"Anticipated Changes in Household Debt and Consumption" **(Job Market Paper)**

This paper evaluates how anticipated changes in household debt associated with the leveraged purchase of housing affect consumption. I build a general equilibrium model in which heterogeneous households are subject to uninsurable income shocks and can save in both liquid and illiquid assets and calibrate it to match the distribution of income and wealth within the US economy. I show that the marginal propensity to consume of households who are saving for a house deposit is negative as they decrease their consumption in anticipation of being credit constrained after they purchase a house. I verify the model's predictions using micro-data from the PSID to show that i) consumption falls in anticipation of increases in household debt and that ii) households who are planning to purchase housing stock have negative marginal propensities to consume. Finally, we use this model to examine the general equilibrium effects of tax credits for first home buyers and show that they can lead to a decrease in aggregate consumption.

"Optimal Monetary Policy under Downward Nominal Wage Rigidity"

I estimate optimal monetary policy in a non-linear New Keynesian model in which nominal wages are downwardly rigid. In this economy there is a trade-off over the optimal rate of inflation. A higher rate of inflation gives workers more flexibility when setting real wages, which comes at the cost of greater price dispersion in the goods market. After outlining a numerical algorithm to solve the model, we use micro-data on the distribution of workers' change in wages to calibrate the nominal wage rigidity. We find that the optimal inflation rate is positive, around 5 per cent, and that this optimal rate is inversely related to the assumed rate of productivity growth. Furthermore, we find that downward nominal wage rigidities bend the Phillips curve constraining the inflation rate from falling in times of low demand. This indicates that an inflation rate that is only moderately below its target can mask large falls in the output gap. Finally, we find that the optimal monetary policy rule is given by strictly targeting the output gap.

“Double Down: How Downwardly Rigid Wages Affect the Economy at the Zero Lower Bound”

We solve for the optimal rate of inflation in a non-linear New Keynesian model which contains both downwardly rigid wages and a zero-lower bound on nominal interest rates. A higher rate of inflation gives workers more flexibility when setting real wages and central banks more room to vary interest rates, at the cost of greater price dispersion in the goods market. We discuss how downwardly rigid wages can amplify or mitigate the welfare loss caused by the zero-lower bound and the net effect on welfare varies with the parameterization of the model. Finally, we find that the optimal monetary rate of inflation is 3.5 per cent.