

Economics 742a Reading List and Lecture Plan

Adam Guren, Spring 2026

Two Topics:

1. Micro Variation in Macro (7 Lectures)
 1. Housing and Macro
 2. Other Sources of Micro Variation in Macro
 3. Aggregation
 2. Heterogeneous Agent New Keynesian Models (6 Lectures)
- Extra material covered in previous years on the course website.*

Course Outline:

1. Introduction, Micro Data in Macro
2. Housing I: Wealth Effects
3. Housing II: The 2000s Boom and Bust
4. Housing III: Stabilization Policy; Other Sources I: Bartik and Monetary Shocks
5. Other Sources I: Firm Shocks, Granular IV, Credit and the Great Recession
6. Other Sources II: Fiscal Multipliers; Aggregation I
7. Aggregation II (Early Start)
8. HANK Lecture 1: HANK Models: Introduction and Estimation (Early Start)
9. HANK Lecture 2: Inspecting the Mechanism: Redistribution and Incomplete Markets
10. HANK Lecture 3: Empirical Evidence on HANK
11. HANK Reading Group: Topics To Be Finalized After Students Express Preferences

My Approach:

- I want to give you a bird's-eye view of the "lay of the land" of the literature.
 - Very useful for data source, identification strategies, etc.
- And then focus on a few papers (2-3 per class) in detail.
 - You will be asked to read these carefully before class.
 - On some days, one paper will be used for the summary slides assignment. See the last few pages of this Reading List.

My View on the "Big Questions in Macro":

- What are the drivers of fluctuations (shocks)?
- Why are responses so big to seemingly small shocks?
- Why are responses so persistent?
- What is the role of policy, particularly monetary and fiscal?
- What are the roles of non-linearities, and how do they change the above questions?

What I ask of you:

- Read double-starred readings carefully. Read the starred readings given your interests.
 - I will announce what to read before class (also see the last two pages).
 - The rest of the reading list is mostly a literature guide for your reference.
- Ask questions, participate, challenge me, etc.
- Read critically and come to class with an eye towards new research questions.

Topic 1: Micro Variation in Macro

- Introduction
 - ** Nakamura and Steinsson (2018). “Identification in Macroeconomics.” *JEP*.
 - ** Huber (2018). “Disentangling the Effects of a Banking Crisis: Evidence From German Firms and Counties.” *AER*.
 - ** Guren (2018). “House Price Momentum and Strategic Complementarity.” *JPE*.
- House Prices and Consumption:
 - * Mian and Sufi (2011). “Housing Price, Home Equity-Based Borrowing, and the U.S. Household Leverage Crisis.” *AER*.
 - ** Mian, Sufi, and Rao (2013). “Household Balance Sheets, Consumption, and the Economic Slump.” *QJE*.
 - ** Mian and Sufi (2014). “What Explains High Unemployment? The Aggregate Demand Channel.” *Emca*.
 - * Saiz (2010). “The Geographic Determinants of Housing Supply.” *QJE*.
 - Sinai and Souleles (2005). “Owner Occupied Housing as a Hedge Against Rent Risk.” *QJE*.
 - * Berger, Guerrieri, Lorenzoni, and Vavra (2018). “House Prices and Consumer Spending.” *Restud*.
 - ** Guren, McKay, Nakamura, and Steinsson (2021). “Housing Wealth Effects: The Long View.” *Restud*.
- The 2000s Housing Cycle
 - * Burnside, Eichenbaum, and Rebelo (2016). “Understanding Booms and Busts in Housing Markets.” *JPE*.
 - * Favilukis, Ludvigson, and Van Nieuwerburgh (2016). “The Macroeconomic Effects, of Housing Wealth, Housing Finance, and Limited Risk Sharing in General Equilibrium.” *JPE*.
 - Justiniano, Primiceri, and Tambalotti (2019). “Credit Supply and the Housing Boom.” *JPE*.
 - * Landvoigt, Piazzesi, and Schenider (2015). “The Housing Market(s) of San Diego.” *AER*.
 - ** Kaplan, Mitman, and Violante (2020). “The Housing Boom and Bust: Model Meets Evidence.” *JPE*.
 - * Guren and McQuade (2020). “How Do Foreclosures Exacerbate Housing Downturns?” *RESTUD*.
 - Garriga and Hedlund (2020). “Mortgage Debt, Consumption and Illiquid Housing Markets in the Great Recession.” *AER*.
 - ** Greenwald and Guren (2025). “Do Credit Conditions Move House Prices?” *AER*.
 - ** Chodorow-Reich, Guren, and McQuade (2024). “The 2000s Housing Boom With 2020 Hindsight: A Neo-Kindlebergerian View.” *RESTUD*.
- Housing Market Stabilization Policy
 - * Agarwal, Amromin, Ben-David, Chomsisengphet, Piskorski, and Seru (2017). “Policy Intervention in Debt Renegotiation: Evidence from the Home Affordable Modification Program.” *JPE*.

- * Agarwal, Amromin, Chomsisengphet, Landvoigt, Piskorski, Seru, and Yao (2022). “Mortgage Refinancing, Consumer Spending, and Competition: Evidence from the Home Affordable Refinance Program.” *Restud.*
- ** Ganong and Noel (2020). “Liquidity Versus Wealth in Household Debt Obligations: Evidence From Housing Policy in the Great Recession.” *AER.*
- Guren, Krishnamurthy, and McQuade (2021). “Mortgage Design in an Equilibrium Model of the Housing Market.” *JF.*
- Campbell, Clara, and Cocco (2021). “Structuring Mortgages for Macroeconomic Stability.” *JF.*
- Greenwald, Landvoigt, and Van Nieuwerburgh (2021). “Financial Fragility and SAM.” *JF.*
- Share-Shift “Bartik” Shocks
 - * Autor, Dorn, and Hanson (2013). “The China Syndrome: Local Labor Market Effects of Import Competition in the United States.” *AER.*
 - Adao, Kolesar, and Morales (2019). “Shift-Share Designs: Theory and Inference.” *QJE.*
 - Goldsmith-Pinkham, Sorkin, and Swift (2020). “Bartik Instruments: What, When, Why and How.” *AER.*
 - Borusyak, Hull, and Jaravel (2021). “Quasi-Experimental Shift-Share Research Designs.” *Restud.*
 - Borusyak, Hull, and Jaravel (2024). “A Practical Guide to Shift-Share Instruments.” *JEP.*
- Monetary Shocks
 - Ramey, Valerie (2016). “Macroeconomic Shocks and Their Propagation.” *Handbook of Macroeconomics.*
 - Christiano, Lawrence, Martin Eichenbaum, and Charles Evans (2005). “Nominal Rigidities and the Dynamic Effects of a Shock to Monetary Policy.” *JPE.*
 - Romer and Romer (2004). “A New Measure of Monetary Shocks: Derivation and Implications.” *AER.*
 - Coglianesi, Olsson, and Patterson (2025). “Monetary Policy and the Labor Market: A Quasi-Experiment in Sweden.” *AER.*
 - Drechsel (2026). “Political Pressure on the Fed.” Forthcoming *RESTUD.*
 - Coibion, Olivier (2012). “Are The Effects of Monetary Policy Shocks Big or Small?” *AEJ: Macro.*
 - Gürkaynak, Sack, and Swanson (2005). “Do Actions Speak Louder Than Words? The Response of Asset Prices to Monetary Policy Actions and Statements.” *International Journal of Central Banking.*
 - Gertler and Karadi (2015). “Monetary Policy Surprises, Credit Costs, and Economic Activity.” *AEJ: Macro.*
 - Nakamura and Steinsson (2018). “High Frequency Identification of Monetary Non-Neutrality: The Information Effect.” *QJE.*
 - * Bauer and Swanson (2023). “A Reassessment of Monetary Policy Surprises and High-Frequency Identification.” *NBER Macro Annual.*
 - Plagborg-Moller and Wolf (2021). “Local Projections and VARs Estimated the Same Impulse Responses.” *Emca.*

- Li, Plagborg-Moller, and Wolf (2024). “Local Projections vs. VARs: Lessons from Thousands of DGPs.” *Journal of Econometrics*.
- Bauer and Swanson (2023). “An Alternative Explanation for the ‘Fed Information Effect.’” *AER*.
- Acosta (2023). “The Perceived Causes of Monetary Policy Surprises.” WP.
- Aruoba and Drechsel (2025). “Identifying Monetary Policy Shocks: A Natural Language Approach.” Forthcoming *AEJ: Macro*.
- Cieslak, Hansen, McMahon, and Xiao (2024). “Policymakers’ Uncertainty.” WP.
- Firms and Bank Shocks (regional and firm-level)
 - * Peek and Rosengren (2000). “Collateral Damage: Effects of the Japanese Bank Crisis on Real Activity in the United States.” *AER*.
 - Ashcraft (2005). “Are Banks Really Special? New Evidence from the FDIC-Induced Failure of Healthy Banks.” *AER*.
 - Ivashina and Scharfstein (2010). “Bank Lending During the Financial Crisis of 2008.” *JFE*.
 - ** Chodorow-Reich (2014). “The Employment Effects of Credit Market Disruptions: Firm-Level Evidence From the 2008-9 Financial Crisis” *QJE*.
 - Chodorow-Reich and Falato (2021). “The Loan Covenant Channel: How Bank Health Transmits to the Real Economy.” *JF*.
 - Mas, Greenstone, and Nguyen (2020). “Do Credit Market Shocks Affect the Real Economy? Quasi-Experimental Evidence from the Great Recession and ‘Normal’ Economic Times.” *AEJ: Policy*.
 - ** Khwaja and Mian. (2008). “Tracing the Impact of Bank Liquidity Shocks: Evidence from an Emerging Market.” *AER*.
 - Amiti and Weinstein (2017). “How Much Do Bank Shocks Affect Investment? Evidence From Matched Bank-Firm Loan Data.” *JPE*.
 - Lenzu, Rivers, Tielens, and Hu (2024). “Financial Shocks, Productivity, and Prices.” Forthcoming *RESTUD*.
- Granular Instrumental Variables
 - * Gabaix and Koijen (2024). “Granular Instrumental Variables.” *JPE*.
 - Kundu and Vats (2022). “Banking Networks and Economic Growth: From Idiosyncratic Shocks to Aggregate Fluctuations.” Forthcoming *AEJ: Macro*.
 - Kundu, Park, and Vats (2022). “The Geography of Bank Deposits and the Origins of Aggregate Fluctuations.” WP.
 - Galaasen, Jamilov, Juelsrud, and Rey (2023). “Granular Credit Risk.” WP.
- Firms and Collateral
 - * Chaney, Sraer, and Thesmar (2012). “The Collateral Channel.” *AER*.
- Households and Bank Shocks
 - Mondragon (2020). “Household Credit and Employment in the Great Recession.” WP.
 - Gilchrist, Siemer, and Zakrajsek (2023). “Bank Health and Local Economic Outcomes.” WP.
- Fiscal Policy and the Multiplier
 - ** Nakamura and Steinsson (2014). “Fiscal Stimulus in a Monetary Union: Evidence from U.S. Regions” *AER*.

- * Chodorow-Reich (2019). “Geographic Cross-Sectional Fiscal Multipliers: What Have We Learned?” *AEJ: Policy*.
- * Shoag (2012). “The Impact of Government Spending Shocks: Evidence on the Multiplier From State Pension Plan Returns.” WP.
- * Suarez Serrato and Wingender (2016). “Estimating Local Fiscal Multipliers.” WP.
- McLure and Yding (2025). “The Macroeconomic Effects of Defense Spending News.” WP.
- Bellifemine, Couturier, and Tozzo (2025). “The Sentiment Channel of Fiscal Policy.” WP.
- Donaldson (2025). “Cross-Sectional Identification with Heterogeneous Exposure to General Equilibrium Effects.” WP.
- Mian and Sufi (2012). “The Effects of Fiscal Stimulus: Evidence From the 2009 Cash For Clunkers Program.” *QJE*.
- Parker, Souleles, Johnson, and McClelland (2013). “Consumer Spending and the Economic Stimulus Payments of 2008.” *AER*.
- Aggregation
 - ** Beraja, Hurst, and Ospina (2019). “The Aggregate Implications of Regional Business Cycles.” *Emca*.
 - * Beraja (2019). “A Semi-Structural Methodology for Policy Counterfactuals.” *JPE*.
 - Acemoglu, Autor, Dorn, Hanson, and Price (2016). “Import Competition and the Great U.S. Employment Sag of the 2000s.” *JOLE*.
 - * Carvalho, Nirei, Saito, and Tahbaz-Salehi (2021). “Supply Chain Disruptions: Evidence from the Great East Japan Earthquake.” *QJE*.
 - Stumpner (2019). “Trade and the Geographic Spread of the Great Recession.” *JIE*.
 - Guren, McKay, Nakamura, and Steinsson (2020). “What Do We Learn From Cross-Sectional Empirical Estimates in Macroeconomics?” *NBER MA*.
 - ** Wolf (2023). “The Missing Intercept: A Demand Equivalence Approach.” *AER*.
 - ** Herreño (2023). “Aggregating the Effect of Bank Credit Supply Shocks on Firms.” WP.
 - Wolf and McKay (2023). “What Can Time Series Regressions Tell Us About Policy Counterfactuals?” *Emca*.
 - * Hazell, Herreño, Nakamura, and Steinsson (2022). “The Slope of the Phillips Curve: Evidence From U.S. States.” *QJE*.
 - Mian, Sarto, and Sufi (2023). “Estimating Credit Multipliers.” WP.

Topic 2: Heterogeneous Agent New Keynesian Models

- The New Keynesian Model (Review)
 - Gali (2015). *Monetary Policy, Inflation, and the Business Cycle: An Introduction to the New Keynesian Framework and Its Applications*. 2nd edition.
 - Guren. EC 704 Class Notes and Syllabus.

- Christiano, Eichenbaum, and Evans (2005). “Nominal Rigidities and the Dynamic Effects of a Shock to Monetary Policy.” *JPE*.
- Smets and Wouters (2007). “Shocks and Frictions in U.S. Business Cycle Models.” *AER*.
- Clarida, Gali, and Gertler (1999). “The Science of Monetary Policy: A New Keynesian Perspective.” *JEL*.
- Introduction to HANK (Broad Lit Reviews)
 - ** Aculert, Rognlie, Straub (2025). “Fiscal and Monetary Policy with Heterogeneous Agents.” *Annual Review of Economics*.
 - * Kaplan and Violante (2018). “Microeconomic Heterogeneity and Macroeconomic Shocks.” *JEP*.
 - McKay and Wolf (2023). “Monetary Policy and Inequality.” *JEP*.
 - Gali (2018). “The State of New Keynesian Economics: A Partial Assessment.” *JEP*.
- Computational Background
 - Miranda and Fackler (2002). *Applied Computational Economics and Finance*.
 - Judd (1998). *Numerical Methods in Economics*.
 - QuantEcon: www.quantecon.org
 - Sequence Space Jacobian Code Repository. <https://github.com/shade-econ/sequence-jacobian/>
- Computational Methods
 - **Auclert, Bardoczy, Rognlie, and Straub (2021). “Using the Sequence-Space Jacobian to Solve and Estimate Heterogeneous-Agent Models.” *Emca*.
 - Bhandari, Bourany, and Evans (2023). “A Perturbational Approach for Approximating Heterogeneous Agent Models.” WP.
 - Ahn, Kaplan, Moll, Winberry, and Wolf (2018). “When Inequality Matters for Macro and Macro Matters for Inequality.” NBER Macro Annual.
 - Boppart, Krusell, and Mitman (2018). “Exploiting MIT Shocks in Heterogeneous-Agent Economics: The Impulse Response as a Numerical Derivative.” *JEDC*.
 - Winberry (2018). “A Method For Solving and Estimating Heterogeneous Agent Macro Models.” *QE*.
 - Alisdair McKay Notes: <https://alisdairmckay.com/Notes/HetAgents/index.html>
 - Moll. “Mini Course on Heterogeneous Agent Models in Continuous Time.” <https://benjaminmoll.com/lectures/>.
 - Achdou, Han, Lasry, Lions, and Moll (2017). “Income and Wealth Distribution in Macroeconomics: A Continuous Time Approach.”
- Monetary Policy with Heterogeneous Agents
 - ** Kaplan, Moll, and Violante (2018). “Monetary Policy According to HANK” *AER*.
 - ** Auclert (2019). “Monetary Policy and the Redistribution Channel.” *AER*.
 - * Doepke and Schneider (2006). “Inflation and the Redistribution of Nominal Wealth.” *JPE*.
 - ** Werning (2015). “Incomplete Markets and Aggregate Demand.” WP.
 - McKay, Nakamura, and Steinsson (2016). “The Power of Forward Guidance Revisited.” *AER*.
- HANK vs. TANK

- Bilbiie (2019). “Monetary Policy and Heterogeneity: An Analytical Framework.”
- * Debortoli and Gali (2018). “Monetary Policy With Heterogeneous Agents: Insights from TANK Models.”
- Acharya and Dogra (2020). “Understanding HANK: Insights From a PRANK.” *Emca*.
- Broer, Hansen, Krusell, and Orberg (2020). “The New Keynesian Transmission Mechanism: A Heterogeneous-Agent Perspective.” *RESTUD*.
- Estimating HANK
 - ** Auclert, Rognlie, and Straub (2020). “Micro Jumps, Macro Humps: Monetary Policy and Business Cycles in an Estimated HANK Model.” WP.
 - Bayer, Born, and Luetticke (2024). “Shocks, Frictions, and Inequality in U.S. Business Cycles.” *AER*.
- Fiscal Policy With Heterogeneous Agents
 - ** Auclert, Rognlie, and Straub (2024). “The Intertemporal Keynesian Cross.” *JPE*.
 - McKay and Reis (2016). “The Role of Automatic Stabilizers in the U.S. Business Cycle.” *Emca*.
 - Hagedorn, Manovskii, and Mitman (2019). “The Fiscal Multiplier.” WP.
 - Kekre (2023). “Unemployment Insurance in Macroeconomic Stabilization.” *RESTUD*.
 - Auclert, Bardoczy, and Rognlie (2023). “MPCs, MPEs, and Multipliers: A Trilemma for New Keynesian Models.” *RESTAT*.
- Fiscal-Monetary Interactions and HANK
 - * Kaplan (2025). “Implications of Fiscal-Monetary Interaction From HANK Models.” WP.
 - * Angeletos, Lian, and Wolf (2024). “Can Deficits Finance Themselves?” *Ecma*.
 - ** Angeletos, Lian, and Wolf (2025). “Deficits and Inflation: HANK Meets FTPL.” WP.
 - ** Rachel and Ravn (2025). “Brothers in Arms: Monetary-Fiscal Interactions Without Ricardian Equivalence.” WP.
 - Kaplan, Nikolakoudis, and Violante (2023). “Price Level and Inflation Dynamics In Heterogeneous Agent Economies.” WP.
 - Kaplan (2025). “A Note on Equilibrium Uniqueness in New Keynesian Models and Implications for the Fiscal Theory of the Price Level.” WP.
 - Kaplan and Miyahara (2025). “How Does Monetary and Fiscal Policy Shape Macroeconomic Dynamics in the Face of Large Shocks?” WP.
 - Leeper (1991). “Equilibria Under Active and Passive Monetary and Fiscal Policies.” *JME*.
- Mortgage Refinancing and HANK
 - Wong (2021). “Refinancing and the Transmission of Monetary Policy to Consumption.” WP.
 - * Eichenbaum, Rebelo, and Wong. (2021). “State Dependent Effects of Monetary Policy: The Refinancing Channel.” *AER*.
 - ** Berger, Milbradt, Tourre, and Vavra (2021). “Mortgage Prepayment and Path-Dependent Effects of Monetary Policy.” *AER*.

- Anenberg, Van Straelen, and Scharlemann (2023). “Borrowing and Spending in the Money: Debt Substitution and the Cash-Out Refinance Channel of Monetary Policy.”
- * Greenwald (2018). “The Mortgage Credit Channel of Macroeconomic Transmission.” WP.
- Cloyne, Ferreira, and Surico (2020). “Monetary Policy When Households Have Debt: New Evidence on the Transmission Mechanism.” *RESTUD*.
- Elias, Gillitzer, Kaplan, La Cava, and Prasad (2025). “The Mortgage Debt Channel of Monetary Policy When Mortgages Are Liquid.” WP.
- Durable Goods and HANK
 - ** McKay and Wieland (2021). “Lumpy Durable Consumption Demand and Limited Ammunition of Monetary Policy.” *Emca*.
 - * Berger and Vavra (2015). “Consumption Dynamics During Recession. *Emca*.
 - Beraja and Zorzi (2025). “Durables and Size-Dependence in the Marginal Propensity to Spend.” WP.
- Investment and HANK
 - ** Kekre and Lenel (2022). “Monetary Policy, Redistribution, and Risk Premia.” *Emca*.
 - * Bernanke, Gertler, and Gilchrist (1999). “The Financial Accelerator in a Quantitative Business Cycle Framework.” *Handbook of Macroeconomics*.
 - ** Ottonello and Winberry (2020). “Financial Heterogeneity and the Investment Channel of Monetary Policy.” *Emca*.
 - * Dreschel (2023). “Earnings-Based Borrowing Constraints and Macroeconomic Fluctuations.” *AEJ: Macro*.
 - * Jeenas (2025). “Firm Balance Sheet Liquidity, Monetary Policy Shocks, and Investment Dynamics.” WP.
 - Cloyne, Ferreira, Froemel, and Surico (2023). “Monetary Policy, Corporate Finance, and Investment.” *JEEA*.
 - * Kekre, Lenel, and Mainardi (2025). “Monetary Policy, Segmentation, and the Term Structure.” WP.
- Labor Markets and HANK
 - ** Birinci, Karahan, Mercan, and See (2025). “Labor Market Shocks and Monetary Policy.” WP.
 - * Alves and Violante (2025). “Monetary Policy Under Okun’s Hypothesis.” WP.
 - Graves, Huckfeldt, and Swanson (2024). “The Labor Demand and Labor Supply Channels of Monetary Policy.” WP.
 - * Gorenemann, Kuester, and Nakajima (2022). “Doves For the Rich, Hawks For the Poor? Distributional Consequences of Monetary Policy.” WP.
 - Ravn and Sterk (2020). “Macroeconomic Fluctuations With HANK and SAM: An Analytical Approach. *JEEA*.
 - Graves (2023). “Does Unemployment Risk Affect Business Cycle Dynamics?” *AEJ: Macro*.
- Behavioral HANK
 - ** Farhi and Werning (2019). “Monetary Policy, Bounded Rationality, and Incomplete Markets.” *AER*.
 - Gabaix (2020). “A Behavioral New Keynesian Model.” *AER*.

- ** Pfauti and Seyrich (2024). “A Behavioral Heterogeneous Agent New Keynesian Model.” WP.
- * Laibson, Maxted, and Moll (2024). “Present Bias Amplifies the Household Balance-Sheet Channels of Macroeconomic Policy.” *QJE*.
- Rigato and Fernandes (2025). “Precautionary Savings and Stabilization Policy in a Present-Biased Economy.” WP.
- Caravello, McKay and Wolf (2025). “Evaluating Monetary Policy Counterfactuals: (When) Do We Need Structural Models?” WP.
- Financial Intermediation and HANK
 - ** Chiang and Zoch (2025). “Financial Intermediation and Aggregate Demand: A Sufficient Statistics Approach.” WP.
- Optimal Policy in HANK
 - ** Davila and Schaab (2023). “Optimal Monetary Policy With Heterogeneous Agents: Discretion, Commitment, and Timeless Policy.” WP.
 - Bhandari, Evans, Golosov, and Sargent (2021). “Inequality, Business Cycles, and Monetary-Fiscal Policy.” *Emca*.
 - Acharya, Challe, and Dogra (2024). “Optimal Monetary Policy According to HANK” *AER*.
 - McKay and Wolf (2025). “Optimal Policy Rules in HANK.” WP.
- Misallocation and Monetary Policy
 - ** Baqaee, Farhi, and Sangani (2024). “The Supply-Side Effects of Monetary Policy.” *JPE*.
 - Baqaee, Farhi, and Sangani (2024). “The Darwinian Returns To Scale.” *RESTUD*.
 - Baqaee and Farhi (2020). “Productivity and Misallocation in General Equilibrium.” *QJE*.
- Empirical Evidence on HANK
 - ** Holm, Paul, and Tischbirek (2021). “The Transmission of Monetary Policy Under the Microscope.” *JPE*.
 - Andersen, Johannesen, Jorgensen and Peydro (2023). “Monetary Policy and Inequality” *JF*.
 - Bach, Calvet, Sodini (2020). “Rich Pickings? Risk, Return, and Skill in Household Wealth.” *AER*.
 - Fagereng, Guiso, Malacrino, and Pistaferri (2020). “Heterogeneity and Persistence in Returns to Wealth.” *Emca*.
 - Fagereng, Holm, Moll, and Natvik (2020). “Savings Behavior Across the Wealth Distribution: The Importance of Capital Gains.” *Emca*.
 - Fagereng, Holm, and Natvik (2021). “MPC Heterogeneity and Household Balance Sheets.” *AEJ: Macro*.
 - * Lewis, Melcangi, and Pilossoph (2025). “Latent Heterogeneity in the Marginal Propensity to Consume.” Forthcoming *RESTUD*.
 - * Kosar, Melcangi, Pilossoph, and Wiczer (2025). “Stimulus and Insurance: The Marginal Propensity to Discharge Debt.” WP.
 - * Boehm, Fize, and Jaravel (2025). “Five Facts about MPCs: Evidence From a Randomized Experiment.” *AER*.
 - * Keung (2018). “Excess Sensitivity of High-Income Consumers.” *QJE*.
 - ** Aguiar, Boar, Bils (2024). “Who Are the Hand-To-Mouth?” *RESTD*.

- Patterson (2023). “The Matching Multiplier and the Amplification of Recessions.” *AER*.
- Bilbiie, Galaasen, Gurkaynak, Maehulm, and Molnar (2025). “HANKSSON.” WP.
- Ganong, Jones, Noel, Farrell, Grieg, and Wheat (2025). “Liquid Wealth and Consumption Smoothing of Typical Labor Income Shocks.” WP.

Extra Literature Guide to Housing and Macro Topics I Did Not Cover in Class

- Monetary Policy and Housing Markets
 - Di Maggio, Kermani, Keys, Piskorski, Ramcharan, Seru, and Yao (2017). “Interest Rate Pass-Through: Mortgage Rates, Household Consumption, and Voluntary Deleveraging.” *AER*.
 - Beraja, Fuster, Hurst, and Vavra (2019). “Regional Heterogeneity and the Refinancing Channel of Monetary Policy.” *QJE*.
 - Wong (2021). “Refinancing and the Transmission of Monetary Policy to Consumption.” WP.
 - Greenwald (2018). “The Mortgage Credit Channel of Macroeconomic Transmission.” WP.
 - Berger, Milbradt, Tourre, and Vavra (2021). “Mortgage Prepayment and the Path-Dependent Effects of Monetary Policy.” *AER*.
 - Eichenbaum, Rebelo, and Wong (2022). “State Dependent Effects of Monetary Policy: The Refinancing Channel.” *AER*.
- Behavioral Housing Economics
 - Genesove and Mayer (2001). “Loss Aversion and Seller Behavior: Evidence from the Housing Market.” *QJE*.
 - Andersen, Badarinza, Liu, Marx, and Ramadorai (2022). “Reference Dependence in the Housing Market.” *AER*.
 - Andersen, Campbell, Nielsen, and Ramadorai (2020). “Sources of Inaction in Household Finance: Evidence from the Danish Mortgage Market” *AER*.
 - Kuchler, Piazzesi, and Stroebel (2023). “Housing Market Expectations.” *Handbook of Economic Expectations*.
 - Armona, Fuster, and Zafar (2019). “Home Price Expectations and Behavior: Evidence from a Randomized Information Experiment.” *RESTUD*.
 - Kuchler and Zafar (2019). “Personal Experiences and Expectations about Aggregate Outcomes.” *JF*.
 - Kindermann, Le Blanc, Piazzesi, and Schneider (2024). “Learning About Housing Cost: Survey Evidence from the German House Price Boom.” WP.
- Housing Supply
 - Glaeser and Gyourko (2018). “The Economic Implications of Housing Supply.” *JEP*.
 - Gyourko and Molloy (2015). “Regulation and Housing Supply.” *Handbook of Regional and Urban Economics*.
 - Glaeser and Gyourko (2005). “Urban Decline and Durable Housing.” *JPE*.
 - Baum-Snow and Han (2024). “The Microgeography of Housing Supply.” *JPE*.

Starred Readings By Lecture

1. Introduction (January 20)
 - a. Class Discussion: Nakamura-Steinsson, Huber
 - b. **: Nakamura-Steinsson, Huber
2. Housing I (January 22): Wealth Effects
 - a. Summary slides: Mian-Sufi-Rao or Guren-MacKay Nakamura-Steinsson (your choice)
 - b. **: Mian-Sufi-Rao, Mian-Sufi 14, Guren-McKay-Nakamura-Steinsson
 - c. *: Mian-Sufi 11, Saiz 10, Berger-Guerrieri-Lorenzoni-Vavra
3. Housing II (January 27): The 2000s Boom and Bust
 - a. Summary Slides: Greenwald-Guren or Chodorow-Reich-Guren-McQuade (your choice)
 - b. **: Kaplan-Mitman-Violante, Greenwald-Guren, Chodorow-Reich-Guren-McQuade
 - c. *: Favilukis-Ludvigson-Van Nieuwerburgh
4. Housing III (January 29): Stabilization Policy; Bartik and Monetary Shocks
 - a. Summary Slides: Ganong-Noel
 - b. **: Ganong-Noel
 - c. *: Autor-Dorn-Hanson, Bauer-Swanson
5. Credit, Collateral, and Monetary Policy; Credit and the Great Recession (February 3)
 - a. Summary Slides: Khwaja-Mian or Chodorow-Reich (your choice)
 - b. ** Khwaja-Mian, Chodorow-Reich
 - c. *: Chaney-Sraer-Thesmar, Autor-Dorn-Hanson, Bauer-Swanson (Macro Annual)
6. Fiscal Multipliers, Aggregation I (February 5)
 - a. Summary Slides: Nakamura-Steinsson
 - b. **: Nakamura-Steinsson
 - c. *: Shoag, Suarez Serrato-Wingender, Chodorow-Reich
7. Aggregation II (February 10) – EARLY START
 - a. Summary Slides: Herreño or Wolf (your choice)
 - b. **: Beraja-Hurst-Ospina, Hazell- Herreño-Nakamura-Steinsson
 - c. *: Mian-Sufi (2014), Carvalho-Nirei-Saito-Tahbaz-Salehi, Wolf, Herreño,
8. HANK Lecture 1: Heterogeneous Agent New Keynesian Models: Intro and Estimation (February 12) – EARLY START
 - a. Summary Slides: Auclert-Rognlie-Straub (Micro Jumps Macro Humps)
 - b. **: Auclert-Rognlie-Straub (MJMH), Kaplan-Moll-Violante, Auclert-Rognlie-Straub (*Annual Review*)
 - c. *: Debortoli-Gali, Smets-Wouters
 - d. **: Computational: Auclert-Bardoczy-Rognlie-Straub
9. HANK Lecture 2: Inspecting the Mechanism: Redistribution and Incomplete Markets (February 19)
 - a. Summary Slides: Auclert
 - b. **: Auclert, Auclert-Rognlie-Straub (Intertemporal Keynesian Cross)
 - c. *: Werning, Doepke-Schneider
10. HANK Lecture 3: Evidence for HANK (February 24):
 - a. **: Holm-Paul-Tischbirek, Aguiar-Bils-Boar

- b. * Andresen-Johannesen-Jorgensen-Peydro, Fagereng-Holm-Natvik, Fagereng-Holm-Moll-Natvik, Fagereng-Guiso-Malacrino-Pistaferri, Bach-Calvet-Sodini, Boehm-Fize-Jaravel, Lewis-Melcangi-Pilossoff, Kosar-Melcangi-Pilossoff-Wiczner, Keung
11. HANK Reading Group (February 24 – March 5). Selected from (not all covered):
- a. Topic 1: Mortgage Refinancing and Durables in HANK
 - i. Paper 1: Berger-Milbradt-Tourre-Vavra **
 - Related Papers: Eichenbaum-Rebelo-Wong, Anenberg-van Straelen-Scharlemann
 - Background Papers: Wong, Greenwald
 - ii. Paper 2: McKay-Wieland **
 - Related Papers: Berger-Vavra, Beraja-Zorzi
 - b. Topic 2: Investment and HANK
 - i. Paper 1: Kekre-Lenel ** (Not covered in 2026)
 - Related Papers: Bernanke-Gertler-Gilchrist, Kekre-Lenel, Mainardi
 - ii. Paper 2: Ottonello-Winberry **
 - Related Papers: Dreschel, Jeenas
 - c. Topic 3: Fiscal-Monetary Interaction in HANK
 - i. Paper 1: Angeletos-Lian-Wolf (WP) **
 - Related Paper: Angeletos-Lian-Wolf (Emca), Kaplan-Nikolakoudis-Violante
 - ii. Paper 2: Ravn-Rachel **
 - Related Paper: Kaplan
 - d. Topic 4: Behavioral HANK:
 - i. Paper 1: Farhi-Werning **
 - Related Paper: Laibson-Maxted-Moll
 - ii. Paper 2: Pfauti-Seyrich **
 - Related Papers: Gabaix, McKay
 - e. Topic 5: Labor Markets and HANK
 - i. Paper 1: Birinci-Karahan-Mercan-See
 - Related paper: Alves-Violante, Gorenemann-Kuester-Nakajima
 - f. Topic 6: Misallocation and Monetary Policy
 - i. Paper 1: Baqaee-Farhi-Sangani **
 - Related Papers: Baqaee-Farhi
 - g. Topic 7: Optimal Policy and HANK (Not covered in 2026)
 - i. Paper 1: Davila-Schaab **
 - Related Papers: McKay-Wolf, Acharya-Challe-Dogra
 - h. Topic 8: Finance and HANK (Not covered in 2026)
 - i. Paper 1: Chiang-Zoch **