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**Summer term 2019**  
**Topics in Macroeconomics:**  
**Household Portfolios in Macroeconomics**

**Course Syllabus**

**Outline:** The course will address topics in financial macroeconomics, in particular situations involving household portfolio choices, housing and mortgages, and the relevant macroeconomic implications in those situations.

The main purpose of the course is to demonstrate the challenges encountered by current research in quantitative macroeconomics which includes these features of household portfolios and dynamic equilibrium analysis.

This is an advanced course exploring the research frontier in this area. A sound knowledge of recursive methods used in macroeconomics is an essential prerequisite for that, and will be further enhanced in the course.

**Time and Venue:** see [basis.uni-bonn.de](http://basis.uni-bonn.de).

**Course website:** visit eCampus.

**Format:** This is an advanced course aimed at graduate students. The material to be covered is largely beyond textbook treatment, and thus research articles constitute the main source of readings. A set of readings is distributed under separate cover in the first session of the course.

**Grading:** announced in class and on course website.

**Supplemental course information: Why – and for whom – is this interesting?**

- One important development (among others) in macroeconomics has been to highlight financial aspects, since they matter for classical fiscal and monetary (stabilization) policy issues, as well as for analyzing inequality among households. Adding detail for financial aspects, such as distinguishing asset positions by their liquidity and collateral requirements of debt positions, will naturally run into the need to deal with portfolio choice. The capability of handling the core problem of portfolio choice well enough is an important component in efforts to enrich quantitative macroeconomic analysis by financial features - and thus is a relevant factor for pushing the research frontier in this field.

- In the field of household finance, methods of solving such portfolio choice problems and the way of matching their predictions with empirical data are key, independently of whether or not specific household finance projects connect directly to macroeconomics.

- Some applications of household portfolio choice involve interesting connections to approaches from behavioral economics.