

Course Sections / References.

1. Heterogeneous agents models with aggregate fluctuations.

Main Reference

Krusell, P., Smith Jr., A.A., (1998) 'Income and Wealth Heterogeneity in the Macroeconomy' *Journal of Political Economy* Vol. 106, No. 5 (October), pp. 867-896

Suggested Reference for models with endogenous labour supply and aggregate uncertainty.

(These papers are examples of endogenous labour models. I will not be following any particular paper in class, but the model we will study is going to be similar to the models in these papers)

Chang Y and Kim S-B (2007). Heterogeneity and Aggregation: Implications for Labor-Market Fluctuations, *American Economic Review*, 97 (5), 1939-1956.

Mankart, J. and Oikonomou, R. (2017) 'Household Search and the Aggregate Labor Market' *Review of Economic Studies*, 84 (4)

Krusell, P. Mukoyama, T., Rogerson, R and Şahin A. (2017) 'Gross Worker Flows over the Business Cycle,' *American Economic Review*, 107 (11): 3447-3476, November

2. Heterogeneous Agents New Keynesian Models.

Main reference

McKay, A., Nakamura, E. and Steinsson, J (2016) 'The Power of Forward Guidance Revisited' *American Economic Review* 106(10): 3133–3158

Kaplan, G., Moll, B. and Violante, G. (2018) 'Monetary Policy According to HANK', *American Economic Review* 108 (3) March 697-743

Hagedorn, M., Luo, J., Manovski, I. and Mittman, K. (2019), 'Forward Guidance', *Journal of Monetary Economics*, 102 1-23