

# NICOLAI WALDSTRØM

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EDUCATION	<b>Ph.D in Economics</b> <a href="#">University of Copenhagen</a> . Funded by the Carlsberg Foundation. Part of the Macroeconomic Research Group. <i>*Dissertation is expected to be handed in on August 31 2024.</i>	2021-2024*
	<b>MSc. in Economics,</b> <a href="#">University of Copenhagen</a>	2018-2021
	<b>BSc. in Economics,</b> <a href="#">University of Copenhagen</a>	2015-2018
EMPLOYMENT	<b>Centre for Macroeconomic Policy, Ministry of Finance (Denmark)</b> Economist. Employed from January to September.	2021
	<b>Danish Research Institute for Economic Analysis and Modelling,</b> Research Assistant.	2018-2021
FIELDS	<b>Macroeconomics, International Economics, Computational Economics.</b>	
WORKING PAPERS	<b>The Transmission of Foreign Demand Shocks,</b> with Jeppe Druedahl, Søren Hove Ravn, Laura Sunder-Plassmann, and Jacob Marott Sundram. Working paper.	2023
	<p><u>Abstract:</u> Introducing heterogeneous households into a New Keynesian model of a small open economy enables the model to fit a set of stylized empirical facts about the transmission of foreign demand shocks. In the absence of a strong labor income effect on consumption, the model counterfactually implies that domestic consumption increases in response to a shortfall of foreign demand, as the domestic central bank responds to the shock by reducing the interest rate. With plausible marginal propensities to consume, the model instead produces the observed decline in domestic consumption, including of both tradeable and non-tradeable goods. This implies that foreign demand shocks are more important for international business-cycle comovement than predicted by existing models. Our findings also have implications for stabilization policies: While monetary policy is well-suited to counteract foreign demand shocks, traditional fiscal policies are inadequate, as they do not provide sufficient stimulus to the tradeable sector. This poses a particular challenge for countries with a fixed exchange rate or in a monetary union.</p>	
	<b>From Micro to Macro: The Influence of Firm Heterogeneity on Foreign Shock Transmission</b> With Christian Bartels Kastrup. Working paper.	2024
	<p><u>Abstract:</u> We investigate the role of firm heterogeneity and adjustment costs in transmitting foreign supply shocks. As larger firms rely more on easily adjustable inputs, the aggregate production response to changes in the price of these inputs gets amplified relative to a representative firm economy. We next provide empirical evidence that larger firms are more responsive to foreign shocks. A New Keynesian general equilibrium model with multiple sectors and firm heterogeneity is consistent</p>	

with these facts. In line with the data, firm heterogeneity amplifies the response of production and prices to a foreign supply shock but dampens the labor response.

WORK IN PROGRESS	<p><b>Fiscal Multipliers in Small Open Economies With Heterogeneous Households</b> 2024 with Jeppe Druedahl, Søren Hove Ravn, Laura Sunder-Plassmann, and Jacob Marott Sundram.</p> <p><u>Abstract:</u> We study fiscal multipliers in a small open economy Heterogeneous Agent New-Keynesian (SOE-HANK) model. We provide an equivalence result: Given some restrictions on the model parameters, the fiscal multiplier in our SOE-HANK model is the same—at any horizon—as in a corresponding representative-agent (RANK) model. Under more general assumptions, the fiscal multipliers in the two models are not equivalent, but remain relatively similar. Yet, we show that the underlying channels driving the fiscal multipliers differ substantially. In particular, consumption increases and net exports decline more in the HANK model compared to the RANK model.</p> <p><b>Inflation, Real Income, and Aggregate Demand</b> 2024</p>
ACADEMIC VISITS	<p><b>University of Oxford,</b> 2023 October-December 2023. Sponsor: Federica Romei.</p>
TEACHING	<p><b>Advanced Macroeconomics: Heterogeneous Agent Models</b> 2024 Lecturer.</p> <p><b>Bachelor thesis supervision</b> 2021-2023 Supervision of students in business-cycle macro.</p> <p><b>Advanced Macroeconomics: Heterogeneous Agent Models</b> 2022 Guest lecturer.</p> <p><b>Advanced Economics of the Environment and Climate Change</b> 2021 Teaching assistant.</p> <p><b>Principles of Economics B (Macro 101)</b> 2018 Teaching assistant.</p>
PRESEN- TATIONS	<p>NORMAC, SED*, T2M*, Internal Macro seminar, University of Copenhagen, 2024 Danish Research Institute for Economic Analysis and Modelling</p> <p>SNEE, Lund, EEA*, NORMAC*, Ph.D seminar, university of Copenhagen, 2023 Internal Macro seminar, University of Copenhagen, DGPE Bank of Finland*, Danmarks Nationalbank*</p> <p>Winter Meeting of the Econometric Society*, DGPE 2022</p> <p><i>*By co-author.</i></p>
GRANTS & AWARDS	<p><b>Carlsberg Internationalisation Fellowship</b> 2025-2027 Amount: 1,020,000 DKK / 148,700\$</p>

	<b>Annemarie and Erling Kristiansens Foundation</b> Amount: 50,000DKK / 7,000\$	2024
	<b>The William Demant Foundation</b> Amount: 10,000DKK / 1,444\$	2023
	<b>Runner up best master Thesis</b> Runner up for best master thesis at the University of Copenhagen	2021
WORKSHOPS	<b>Subjective Inflation Expectations, Lisbon</b> Nova SBE summer school by Michael Weber ( <i>Chicago Booth</i> ).	2023
	<b>Allocation and Wages in Labor Markets, Aarhus</b> DGPE course by Rasmus Lentz ( <i>Wisconsin-Madison</i> ).	2023
	<b>Heterogeneous-Agent Macro NBER Workshop, Boston</b> NBER workshop by Adrien Auclert ( <i>Stanford</i> ), Matthew Rogline ( <i>Northwestern</i> ), Ludwig Straub ( <i>Harvard</i> ) and Bence Bardóczy ( <i>Fed. Reserve</i> ).	2022
LANGUAGES	Danish (native), English (fluent)	
SKILLS	Python, R, Matlab, STATA, Julia, GAMS, LaTeX	