Mary Tzaawa-Krenzler

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Education

Goethe University Frankfurt   since 10/2019
Ph.D. in Economics at the GSEFM   Frankfurt am Main, Germany

Providing analysis of macroeconomic dynamics and monetary policy with emphasis on information frictions and the effects of inattentive, non-rational households.

University of Bern   2016-2018
Master of Science in Economics   Bern, Switzerland

Specialized in macroeconomics, monetary policy and quantitative methods.
Title of the Master Thesis *"Costly Information: Price Setting Decision under Rational Inattention"*
Supervisor: Prof. Fabrice Collard

University of Bern   2013-2016
Bachelor of Science in Economics   Bern, Switzerland

Specialized in macroeconomics, empirical macroeconomics and monetary policy.
Title of the Bachelor Thesis *"How well do macroeconomic theory and reality fit together? An empirical analysis of US economic fluctuations using the traditional Keynesian Model"*
Supervisor: Prof. Klaus Neusser

Research fields

Macroeconomics, Behavioral and Information Frictions, Heterogeneous Agent Models, Monetary Policy

Research

Working Papers

Sticky Information and the Taylor Principle, *with Alexander Meyer-Gohde* ⧉

This paper presents determinacy bounds on monetary policy in the sticky information model. We find that these bounds are more conservative here when the long run Phillips curve is vertical than in the standard Calvo sticky price New Keynesian model. Specifically, the Taylor principle is now necessary directly - no amount of output targeting can substitute for the monetary authority's concern for inflation. These determinacy bounds are obtained by appealing to frequency domain techniques that themselves provide novel interpretations of the Phillips curve.
Reject & Resubmit, Journal of Economic Theory

Work in progress

Heterogeneous attention, monetary policy and macroeconomic outcomes, *with Ekaterina Shabalina*

We study how heterogeneous attention to inflation affects monetary policy transmission. Firstly, we empirically show that households' attention to inflation varies with sociodemographic characteristics using household-level surveys for the US and Australia. We find significant, cross-country results for self-employed and high income households. Given that some prices are salient, we also measure shock-specific attention. Secondly, we study how differential attention to inflation through the formation of inflation expectations affects monetary policy transmission. We build a two-asset HANK model with rationally inattentive households, calibrated to match empirical evidence for both countries. Quantitative simulations show that compared to rational inflation expectations, monetary policy faces a worse inflation-output trade-off due to larger indirect effects compared to direct effects.

Households' endogenous attention: the effects of noisy price signals

This paper studies a business cycle model with households who receive noisy signals about specific prices to which the pay attention to. The information is endogenized due to costly information acquisition.

Dynamic Inattention

Standard models with endogenous information assume that households allocate attention once and for all. However empirical evidence shows that this is not the case. I set up a monetary model augmented with inattentive households and allow their information choice to vary over time.

Policy Paper

What drives the NAIRU?, *with Guzman Gonzalez-Torres Fernandez & Marco Weissler*

PRESENTATIONS

2024: ECB Intern · 31st Annual SNDE Symposium 2024 (presentation by co-atuhor) · Theories and Methods in Macro (T2M) Amsterdam (scheduled) · Behavioral Macro Workshop (scheduled) · Australian Conference of Economists 2024 (presentation by co-atuhor) (scheduled)

2023: Bonn-Frankfurt-Mannheim PhD Conference · Goethe University Intern · 29th International Conference Computing in Economics and Finance (CEF) · QCGBF Annual Conference (poster) · EEA-ESEM Barcelona 2023 · SAFE Institute Annual PhD Research Workshop · ECB Intern

RELEVANT EXPERIENCE

European Central Bank 09/2023-02/2024
PhD Traineeship, DG Economics - Supply Side, Labour and Surveillance   Frankfurt am Main, Germany

Working on the main workhorse model for the supply side issues, incorporating a new measure for structural unemployment and potential output. Extending the model from a theoretical modelling perspective and for empirical estimation

Chair of Financial Markets and Macroeconomics, Goethe University Frankfurt   since 03/2024,
Research Assistant DFG Project "Numerical diagnostics and improvements   04/2023-09/2023
for the solution of linear dynamic macroeconomic models"   Frankfurt am Main, Germany

Chair of Financial Markets and Macroeconomics, Goethe University Frankfurt   10/2021-09/2023
Research Assistant for Prof. Dr. Alexander Meyer-Gohde   Frankfurt am Main, Germany

Institute for Monetary and Financial Stability, Goethe University Frankfurt   since 10/2021
Research Assistant for Prof. Dr. Alexander Meyer-Gohde   Frankfurt am Main, Germany

PriceWaterhouseCoopers 04/2019-09/2019
Associate, Risk Assurance Solutions Financial Services   Hamburg, Germany

ADDITIONAL TRAINING

Goethe Macro Training School (scheduled) 06/2024
Heterogeneous-Agent Macroeconomics Workshop
by Adrien Auclert, Metthew Rognlie and Ludwig Straub   Frankfurt am Main, Germany

SCHOLARSHIPS

Forschungstopf Goethe Universität Frankfurt, Fachbereich 02   05/2024

Stipend, Vereinigung von Freunden und Förderern der Goethe-Universität ·
Forschungsfopf der Goethe Universität Frankfurt, FB02 · Konferenzprämie VfS   09/2023

TEACHING EXPERIENCE

Goethe University Frankfurt
Advanced Macroeconomics II.I (Ph.D. first year, Prof. Dr. Alexander Meyer-Gohde)   Summer 2022, 2023
Macroeconomics 2 (Bachelor, Prof. Dr. Mathias Trabandt)   Winter 2021
Monetary Theory and Policy (Master, Prof. Dr. Alexander Meyer-Gohde)   Summer 2022
Macroeconomics 2 (Bachelor, Prof. Dr. Alexander Meyer-Gohde)   Winter 2022, Summer 2023
Business Cycle Theory and Policy (Bachelor, Prof. Dr. Alexander Meyer-Gohde)   Winter 2022

Skill set

Programming
Matlab, R, Python

Software
Dynare, Stata, EViews, LaTeX, MS Office

Languages
German (native), English (fluent), Russian (fluent), French (basic), Georgian (basic)