Filippo Pallotti | Curriculum Vitae

+39 338-489-2976 • filippo.pallotti@ucl.ac.uk
https://www.filippopallotti.com

Current Positions

Lombard Odier - Macro Strategist, Vice-President *Nov. 2023 - Ongoing*

University College London - PhD Candidate in Economics *2019 - 2025 (Exp.)*

References

Morten O. Ravn
Professor of Economics
University College London
`m.ravn@ucl.ac.uk`

Oreste Tristani
Senior Adviser - DG Research
European Central Bank
`oreste.tristani@ecb.europa.eu`

Adrien Auclert
Associate Professor of Economics
Stanford University
`aauclert@stanford.edu`

Gianluca Violante
Theodore A. Wells '29 Professor of Economics
Princeton University
`violante@princeton.edu`

Previous Employment

Bank of England - PhD Trainee @ Monetary Policy Outlook Division - Strategy Team *Summer 2023*

European Central Bank - PhD Trainee @ DG Research *2022 - 2023*

Stanford University - Predoctoral Research Fellow @ SIEPR *2016 - 2017*

Princeton University - Visiting Student Research Collaborator @ Department of Economics *2016*

Previous Education

University College London - *MRes in Economics* - distinction in all courses *2017-2019*

University of Pisa - *MSc in Economics* - 110/110 cum laude *2013-2015*

University of Pisa - *BSc in Economics* - 110/110 cum laude and commendation *2010-2013*

Scuola Superiore Sant'Anna - *Honors college student in Economics* - 100/100 cum laude *2010-2015*

École Normale Supérieure - *Exchange Student @ Department of Social Science, Paris, Rue d'Ulm* *2013*

Publications

○ "Who Bears the Costs of Inflation? Euro Area households and the 2021–22 Shock", with G. Paz-Pardo (ECB) , J. Slacalek (ECB), O. Tristani (ECB) and G. Violante (Princeton), *Journal of Monetary Economics*

Abstract: We measure the heterogeneous first-order welfare effects of the recent inflation surge across households in the euro area. A simple framework illustrating the numerous transmission channels of surprise inflation to household welfare guides our empirical exercise. By combining micro data and aggregate time series, we conclude that: (i) country-level average welfare costs – expressed as a share of triennial income – were sizable and heterogeneous: around 3% in France and Spain, 7% in Germany, and 9% in Italy; (ii) this inflation episode resembles an age-dependent tax, with the retirees losing up to 14%, and roughly half of the 25–44 year-old winning; (iii) losses were quite uniform across consumption quantiles because rigid rents served as a hedge for the poor; (iv) nominal net positions were the key driver of heterogeneity across-households; (v) the rise in energy prices generated vast variation in individual-level inflation rates, but unconventional fiscal policies helped shield households. The counterpart of this household-sector loss is a significant gain for the government.

Working Papers

◦ "The Fisher Channel According to HANK: Unexpected Inflation and the Missing Recession".

Abstract: I show that the wealth redistribution from savers to borrowers, triggered by the recent inflationary episode, has been one of the reasons for the remarkable strength of the U.S. economy after the pandemic. Unexpected inflation reduced the real value of households' debts. Using a Heterogeneous Agent New Keynesian (HANK) model calibrated to match to match the empirical distribution of nominal exposures and their covariance with marginal propensities to consume (MPCs), I find that this wealth transfer increased aggregate consumption and contributed to inflation persistence. I support these findings with empirical evidence from billions of household-level transactions obtained from a U.S. fintech company, as well as county-level data on consumption and nominal debt. Finally, I demonstrate that the Fisher channel significantly amplifies the effectiveness of monetary policy in HANK and revisit the "paradox of flexibility," highlighting how wealth redistribution from unexpected inflation influences the interaction between nominal rigidity and monetary policy transmission.

◦ "Winners and Losers from Unexpected Inflation", *accepted in ECB Working Papers*, *under review*.

Abstract: I document the evolution of nominal positions in the US over the last two decades and estimate the redistributive effects of several inflation episodes. I find that the US government gained around 4.5% of US GDP from the 2021 inflation shock, essentially at the expense of foreigners. In addition, there has been a significant concentration of nominal assets among the wealthiest middle-aged and elderly households, who lost substantially. Most other groups of households gained on average. The financial sector is extremely exposed to anticipated inflation. Raising the inflation target by 2pp would have generated a modest gain for the household sector, especially at the start of the Great Recession.

◦ "Rapid Monetary Transmission: High-Frequency Evidence from the UK", with S.M. Agrippino (NY Fed), L. Brandt (BoE), J. Fisher (Bundesbank) and C. Horn (Frankfurt School of Finance)

Abstract: We study the transmission of monetary policy on UK economic activity in the short run using daily data on hundreds of millions of transaction from a fintech, as well as data on vacancies and prices. We find that monetary policy has significant short-run effects on household spending and posted vacancies in the UK. Using local projections on UK proxies for monetary policy identified through high-frequency methods, we find that household spending significantly decreases after approximately two months and that posted vacancies significantly fall after approximately five months. Prices do not react in the short run. This provides new evidence on the speed of the monetary policy transmission in the UK that previously went undetected because of the focus on lower-frequency data.

Refereeing

Quarterly Journal of Economics, European Economic Review, Economic Journal

Grants and Scholarships (all merit-based)

◦ Stone Center Research Support Grant, £ 20,000, 2023.

◦ Stone Center PhD Scholarship, £ 10,000, 2023.

◦ ESRC Scholarship, ca. £ 80,000, 2018-2022.

- Scuola Superiore Sant'Anna, equiv ca. EUR 60,000, 2010-2015.
- Fee waiver/stipend for courses in macroeconometrics at LSE (2013, 2018) and Barcelona GSE (2015).

Conference Presentations and Invited Seminars

2025 (including scheduled): Swiss Macro Workshop (Sils-Maria), St. Gallen, ICMAIF (Crete).

2024: Queen Mary University of London, Barcelona GSE Summer Forum, EEA-ESEM (Rotterdam), CEBRA (Frankfurt).

2023: ECB DGR (x2), Bank of Italy, London Business School, Mannheim, CESifo (Munich), EEA-ESEM (Barcelona GSE), Paris School of Economics, Bank of England, Central Bank of Ireland.

2022: Surrey, ECB DGR, Naples, ECB Macroprudential Analysis Group (MPAG)

Teaching @UCL

- Advanced Macroeconomic Theory (Graduate): 2019, '20, '21 - TA for Prof. R. Luetticke and A. Olivi.
- Maths Camp (Graduate), 2019, '20, '21', '22 - TA for Professor Daniel Wilhelm
- Economics of Finance (Undergraduate), 2020, '22 - TA for Professor Albert Marcet
- Economics of Growth (Undergraduate), 2023 - Ta for Professor Lukasz Rachel
- Macroeconomics (Undergraduate), 2019 - TA for Professor Wei Cui.

IT Skills

Programming languages: Python, SQL, PySpark, Matlab, Stata

Softwares: Bloomberg, Git, MS Office, LaTeX

Languages: English, Italian