Louiza A. Bartzoka

Contact Information

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Doctoral Studies

Imperial College Business School
Ph.D. in Finance, 2020 - 2024 (Expected)
Dissertation: "Essays in Household Finance"

References:

Tarun Ramadorai
Imperial College Business School
Professor of Financial Economics
t.ramadorai@imperial.ac.uk

Franklin Allen
Imperial College Business School
Professor of Finance and Economics
f.allen@imperial.ac.uk

Michael Haliassos
Goethe University Frankfurt
Professor and Chair for Macroeconomics and Finance
haliassos@wiwi.uni-frankfurt.de

Michael Weber
Booth School of Business
Associate Professor of Finance
michael.weber@chicagobooth.edu

Academic Visits

2023 Booth School of Business, The University of Chicago
Non-Degree Visiting Ph.D. Student, invited by Prof. Michael Weber

Fields

Household Finance, Asset Pricing, Macroeconomics, Behavioral Finance

Working Papers

House Price Perceptions and the Housing Wealth Effect, ***Job Market Paper***

Gender Differences in the Marginal Propensities to Consume, Pay Down Debt and Borrow,
with Olga Goldfayn-Frank and Nathaniel Vellekoop

Cross-Country Differences in Household Financial Decisions: A Structural Approach with Survey-Based Expectations,
with Olga Goldfayn-Frank and Georgi Kocharkov

Credit Constraints and the Distributional Effects of the Refinancing Channel

Prior Education

2020	Master of Research in Finance, Imperial College London
2017	Master of Finance, MIT Sloan School of Management
2016	Master's of Engineering in Civil and Environmental Engineering, Imperial College London

Teaching Experience

2023	Big Data in Finance, Teaching Assistant to Prof. Tarun Ramadorai
2022	Big Data in Finance, Teaching Assistant to Prof. Tarun Ramadorai

Employment

2021 - 2022	Intern, Research Centre, Deutsche Bundesbank
2021	Research Assistant to Prof. Chris Hansman
2019	Associate, Retirement Plan Investment Group, JP Morgan Chase, New York, NY
2017 - 2018	Associate, Chief Investment Office, Portfolio Strategy, JP Morgan Chase, New York, NY
2017	Summer Associate, Chief Investment Office, Portfolio Strategy, JP Morgan Chase, New York, NY
2015	Summer Analyst, Goldman Sachs, London, UK

Invited Seminar Presentations and Workshops

2023	American Economic Association Annual Meeting, American Finance Association PhD Student Poster Session at the ASSA Annual Meeting
2022	Frankfurt Reading Group on Household Finance, 8th Annual Conference of the International Association for Applied Econometrics, Imperial College Business School Student Seminar Series, Yale Summer School in Behavioral Finance, 20th Conference on Research on Economic Theory and Econometrics, Bank of Finland and CEPR Joint Conference Monetary Policy in the Post-Pandemic Era, ISCG Meeting at the European Central Bank, 4th European Midwest Micro/Macro Conference
2021	ECONtribute & SAFE Household Finance Workshop, Imperial College Business School Student Seminar Series

Other Work

"How has the pandemic affected household finances in developing economies?" with Crisitian Badarinza, Vimal Balasubramaniam and Tarun Ramadorai, Economics Observatory, June 2021

"Subjective Probabilities in a Pandemic"
with Crisitian Badarinza, Tarun Ramadorai and Antoine Uettwiller

Awards

2023	Brevan Howard Centre for Financial Analysis Dissertation Fellowship
2022 - 2024	London Interdisciplinary Social Science Doctoral Training Partnership (LISS DTP) Studentship
2017	Dean's Student Advisory Council, MIT Sloan School of Management
2016	1st Prize, Structural Mechanics Section, Final Year Thesis Student Conference, Imperial College London
2012	Salutatorian, Athens College, Athens, Greece

Personal

Citizenship	Greek
Languages	English (Native), Greek (Native), German (Basic)

Abstracts

House Price Perceptions and the Housing Wealth Effect

In this paper, I determine the effect of household house price perceptions on the housing wealth effect. I build a structural model of consumption and housing with endogenous home ownership choice, where house price perceptions differ by home ownership status: renters are fully informed about house price changes, but owners are not. I find that the average marginal propensity to consume out of housing wealth (MPCH) is 2.7 cents out of a $1 housing wealth increase for owners, where this effect is predicted by the model to be approximately twice as large for owners with full information. Along the cross-section of households, the MPCH is largest for owners who face the highest liquidity and debt constraints, as well as for renters who are most likely to want to purchase a home. I further apply my model to examine the effects of house price perceptions on the transmission of a monetary policy tightening event. I determine that, for economies with less information rigidities, the debt and house price channels become increasingly more important in the consumption response and the saving channel less. Focusing on the house price channel, my model predicts that the effectiveness of monetary policy transmission increases at higher levels of perception updating probability.

Gender Differences in the Marginal Propensities to Consume, Pay Down Debt and Borrow

We use questions from the NY Fed Survey of Consumer Expectations that ask how households would respond to an unexpected 10% change in income. Women are more inclined to repay debt after an unexpected increase in income, where men have a larger marginal propensity to consume. When asked about a decrease in income, both men and women report large reductions in spending, and women reduce spending more than men. These differences in responses can be related to gender differences in the debt-to-income ratio, the degree of discouraged borrowing, and liquidity constraints. Together these three variables explain about 40% of the gender differences in the marginal propensity to repay debt, and 75% of differences in the marginal propensity to borrow. A simple model with occasionally binding borrowing constraints can rationalize the gender differences in the marginal propensities to consume and repay debt.

Cross-Country Differences in Household Financial Decisions: A Structural Approach with Survey-Based Expectations

Household financial decisions and their subjective expectations about macroeconomic outcomes vary within and across countries and change over time according to the new Consumer Expectations Survey of the ECB. To rationalize the role of subjective expectations for financial decisions, we estimate a structural model in which households decide how much to save under their survey-reported subjective expectations about the macroeconomy. We find that households in Italy and Spain save between 4 and 14 percentage points more under subjective expectations compared to what they would have saved under rational expectations. We also use the model to determine saving rates differences between countries and show that households in Italy save between 15 and 20 percentage points less than their European neighbors. We further decompose the variation in savings rates by focusing on the impact of expectations, preferences and income risk. Notably, German households save less than their European counterparts due to income risk and French households save less than other countries due to their preferences.

Credit Constraints and the Distributional Effects of the Refinancing Channel

The probability a household refinances their mortgage depends on both the likelihood a household applies for refinancing and the probability its application is approved by the recipient financial institution. This paper develops a model that identifies the household-level probability of approval separately from the application probability. The paper then investigates the distributional impact of credit constraints on the transmission of monetary policy through the mortgage refinancing channel in the U.S. economy. During an average month, households with high loan amounts, low incomes, as well as Black, Hispanic and Female households are most negatively affected by credit constraints. Through different monetary policy experiments, the paper shows that the effect of credit constraints is large in magnitude and amplifies refinancing heterogeneity in time, as specific groups are consistently unable to take advantage of lower mortgage rates. Finally, the paper examines the distributional effects to households after banks tighten credit standards. Under tighter credit conditions, households with high loan amounts, low to middle income levels, Hispanic and Asian or Pacific Islander and Female households experience the largest decrease in refinancing approvals. These findings reveal the households that are most negatively affected by credit constraints and thus in most need of streamlined refinancing programs.