

# Kerstin Westergren

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## PLACEMENT OFFICERS

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## REFERENCES

Prof. Nils Gottfries Department of Economics, Uppsala University <a href="mailto:Nils.Gottfries@nek.uu.se">Nils.Gottfries@nek.uu.se</a>	Assistant Prof. Stefan Pitschner Department of Economics, Uppsala University <a href="mailto:Stefan.Pitschner@nek.uu.se">Stefan.Pitschner@nek.uu.se</a>
Researcher Daria Finocchiaro Central bank of Sweden <a href="mailto:Daria.Finocchiaro@Riksbank.se">Daria.Finocchiaro@Riksbank.se</a>	

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## RESEARCH FIELDS

Primary: Macroeconomics, Applied Macroeconomics, Monetary Economics  
Secondary: Household Finances, Inequality

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## EDUCATION

2015 – 2021 (expected)	PhD, Economics, Uppsala University Visiting scholar, Columbia University, Fall 2017 PhD Student Internship, Central bank of Sweden, Fall 2019 Parental leave, Fall 2020 - Spring 2021
2013 – 2015	M.Sc., Economics, Lund University
2010 – 2013	B.Sc., Politics and Economics, Lund University

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## RESEARCH

Job market paper

[The inflation expectations of rationally inattentive consumers](#)

*Abstract:* How do consumers form expectations about the future rate of inflation? I propose a model of rational inattention where the consumer trades-off paying attention to goods bought with different frequencies. The consumer observes a sub-index rate of inflation with a measurement error that depends on the frequency of purchase of the goods in the sub-index. Less frequently bought goods are observed with greater error. I estimate a simple version of the model with two sub-index components on Swedish data, where one sub-index contains goods bought often, and the other goods not bought often. I find that the consumer allocates most attention to the goods bought often. The model is able to match about 60% of the variation in the inflation expectations of Swedish households over the time period 2002-2017. The attention allocation trade-off between the sub-index components is an important feature of the model's ability to explain the variation in the inflation expectations of Swedish households.

Working papers

[How do monetary policy announcements affect inflation expectations?](#)

Working paper 2020:2, Department of Economics, Uppsala University  
*Abstract:* This paper examines the effects of policy rate announcements on households' inflation expectations over the time period 2003-2015. The effect is estimated using a two-stage least squares regression model. The announced changes are instrumented by a monetary policy surprise variable obtained from high-frequency swap trade data. The effect of an announced increase in the policy rate on inflation expectations is significant and positive. According to the New-Keynesian model, the effect of an exogenous monetary policy shock depends on the assumptions made on the persistence of the shock process in the model. Alternatively, the results may be interpreted as the policy announcement signaling the central bank's private information on the direction of future inflation. Given the sizeable weight of housing costs in the Swedish CPI basket, the results may also be interpreted as reflecting the direct effect of interest rates on the CPI. In this case, households internalize the effects of interest rates on CPI, when forming expectations about the future rate of inflation.

Work in progress      What is the effect of a dual taxation reform on wealth inequality?  
Joint with Markus Ridder and Charlotte Paulie  
*Abstract: TBA*

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## TEACHING EXPERIENCE & PREVIOUS POSITIONS

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Spring 2019      Academic teacher training course, 5 weeks, Uppsala University  
Fall 2016-Spring 2017      Introduction to Micro and Macroeconomics,  
*Essay supervisor, Department of Economics, Uppsala University*  
Fall 2016      PhD course in Macroeconomic theory  
*Teaching assistant, Department of Economics, Uppsala University*  
Fall 2014      Introduction to Microeconomic theory  
*Teaching assistant, Department of Economics, Lund University*  
2014-09 – 2015-08      Research Assistant  
*Associate Prof. Therese Nilsson, Department of Economics, Lund University*

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## GRANTS

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2016      Jan Wallander and Tom Hedelius Foundation  
*Full scholarship for studies at Columbia University Fall 2017 (40.000\$)*  
2014      Swedish International Development Cooperation Agency  
*Minor field study scholarship for master essay project in Kenya 2015 (2.500\$)*

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## ACTIVITIES

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2015-09 –      Board member of PhD Student Association, Dept. of Economics, Uppsala University  
2016-09 – 2020-09      Board member of Female Economist Network of Stockholm and Uppsala  
2015-09 – 2019-06      Board member of Equality Committee, Dept. of economics, Uppsala University

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## PERSONAL

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Programming      Matlab (advanced), Stata (advanced), R (basic), Latex (advanced)  
Language skills      Swedish (native), English (professional), German and Spanish (basic)  
Citizenship      Swedish  
Name      Westergren (from September 2020), previously Olsson