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**LONDON SCHOOL OF ECONOMICS & POLITICAL SCIENCE**

**Department of Economics**

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**DATE OF BIRTH:** 18 July 1979

**SEX:** M

**CITIZENSHIP:** German

**PRE-DOCTORAL STUDIES:**

MRes Economics, London School of Economics	2006-2008
Diplom-Volkswirt (MSc Economics), University of Mannheim	2002-2006
Visiting Student in Graduate Program, University of California at Los Angeles (UCLA)	2003-2004
Vordiplom in Economics, University of Heidelberg	2000-2002

**DOCTORAL STUDIES:**

PhD in Economics, London School of Economics 2008-present  
Thesis Title: "Topics in Macroeconomics: Mortgage Default, Factor Misallocation, Demographic Change"  
Expected Completion: Spring 2012

**THESIS ADVISOR AND REFERENCES:**

Prof. Francesco Caselli (Advisor) Department of Economics London School of Economics Houghton Street London WC2A 2AE <a href="mailto:f.caselli@lse.ac.uk">f.caselli@lse.ac.uk</a> Tel. (44-20) 7955-7498 Fax (44-20) 7955-6592	Dr. L. Rachel Ngai Department of Economics London School of Economics Houghton Street London WC2A 2AE <a href="mailto:l.ngai@lse.ac.uk">l.ngai@lse.ac.uk</a> Tel. (44-20) 7955-7017 Fax (44-20) 7955-6592	Prof. Wouter den Haan Department of Economics London School of Economics Houghton Street London WC2A 2AE <a href="mailto:w.denhaan@lse.ac.uk">w.denhaan@lse.ac.uk</a> Tel. (44-20) 7955-7279 Fax (44-20) 7955-6592
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**DESIRED TEACHING AND RESEARCH:**

Primary Field: Macroeconomics

Secondary Fields: Financial Economics, Development Economics, Computational Methods

**TEACHING EXPERIENCE:**

Teaching Fellow

Advanced Macroeconomics, MRes/PhD level, LSE 2010-2011

Teaching Assistant

International Economics, 3<sup>rd</sup> year undergraduate level, LSE 2009-2010

Advanced Economic Analysis, 3<sup>rd</sup> year undergraduate level, LSE 2009

Macroeconomic Principles, 2<sup>nd</sup> year undergraduate level, LSE 2007-2009

Mathematics for Economists, 1<sup>st</sup> year undergraduate level, Heidelberg 2002

**RELEVANT POSITIONS HELD:**

Research Assistant, Mannheim Institute for the Economics of Aging, Macroeconomics 2006

Research Assistant, SFB 504, University of Mannheim, Experimental Economics 2004-2005

Research Assistant, University of Heidelberg, Chair for Credit Markets and Finance 2002-2003

**HONORS, SCHOLARSHIPS AND FELLOWSHIPS:**

Teaching Fellowship, LSE 2010-2011

Economics Research Studentship, LSE 2007-2010

Economic and Social Research Council (ESRC) Studentship 2006-2010

Stiftung Besinnung und Ordnung Scholarship 2006-2010

Adeline and Karl Goeltz Scholarship, LSE 2006-2007

German Academic Exchange Service (DAAD) Scholarship 2003-2004

Cusanuswerk Scholarship 2002-2006

**CONFERENCE AND INVITED SEMINAR PRESENTATIONS:**

Econometric Society European Meeting, Oslo 2011

Econometric Society World Congress, Shanghai 2010

RWTH Aachen 2010

European Economic Association Annual Conference, Barcelona 2009

**REFEREEING:** Journal of Development Economics

**LANGUAGES:** English (fluent), French (intermediate), German (native)

**JOB MARKET PAPER:**

**“Mortgage Default during the U.S. Mortgage Crisis”**, November 2011

**Abstract:**

This paper asks which theories of mortgage default are quantitatively consistent with observations in the United States during 2002-2010. Theoretical models are simulated for the observed time-series of aggregate house prices. Their predictions are then compared to actual default rates on prime fixed-rate mortgages. An out-of-sample test discriminates between estimated reduced forms of the two most prominent theories. The test reveals that the double-trigger hypothesis attributing mortgage default to the joint occurrence of negative equity and a life event like unemployment outperforms a frictionless option-theoretic default model. Based on this finding a structural partial-equilibrium model with liquidity constraints and idiosyncratic unemployment shocks is presented to provide micro-foundations for the double-trigger hypothesis. In this model borrowers with negative equity are more likely to default when they are unemployed and have low liquid wealth. The model explains most of the observed strong rise in mortgage default rates. A policy implication of the model is that subsidizing homeowners can mitigate a mortgage crisis at a lower cost than bailing out lenders.

**OTHER WORKING PAPERS AND PUBLICATIONS:**

**“Factor Misallocation in Dual Economies”**, January 2010

**Abstract:**

This paper estimates the degree of capital and labor misallocation between the agricultural and non-agricultural sector in different economies from a panel data set of developed and developing countries during 1967-1992. The econometric approach allows for general production functions, so the paper employs the flexible Translog form. The findings are that in developing countries marginal products of labor are higher in non-agriculture than in agriculture. The reverse holds for capital allocation. Industrialized countries are closer to an efficient factor allocation. A sensitivity analysis reveals that using the more restrictive Cobb-Douglas form would lead to much higher estimates of misallocation.

**“Demographic Change, Human Capital and Welfare”**, with Alexander Ludwig and Edgar Vogel

***Review of Economic Dynamics***, 15(1), 94-107, January 2012

**Abstract:**

Projected demographic changes in the U.S. will reduce the share of the working-age population. Analyses based on standard OLG models predict that these changes will increase the capital-labor ratio. Hence, rates of return to capital decrease and wages increase, which has adverse welfare consequences for current cohorts who will be retired when the rate of return is low. This paper argues that adding endogenous human capital accumulation to the standard model dampens these forces. We find that this adjustment channel is quantitatively important. The standard model with exogenous human capital predicts welfare losses up to 12.5% (5.6%) of lifetime consumption, when contribution (replacement) rates to the pension system are kept constant. These numbers reduce to approximately 8.7% (4.4%) when human capital can endogenously adjust.