Proposal for an advanced macro course

I propose that next year we offer a year long course called frontiers in macroeconomics and applied economic dynamics. The aim would be to inform second, third, and fourth year graduate students in economics (FAS), economics (Stern), and finance (Stern and FAS) about areas of work about which individual faculty members are especially informed. The course would consist of a sequence of from one to three lectures by each of a sequence of faculty members. I think that the sequence could be arranged over time so that there would be a logic to the order in which topics are taken up.

Here are some of the possible contributions (please note that we have more than enough fire power to complete a course!):

- Sydney Ludvigson and Martin Lettau on the dynamics of asset prices, consumption, and wealth.
- Gianluca Violante on distributions of wealth, consumption, wages, and their motion over time.
- Ricardo Lagos on search models of the labor market and money.
- Pierre-Olivier and Lasse Pedersen on search models of financial markets.
- Lars Ljungqvist on models of the labor market.
- Nicola Pavoni* on recursive models of incentives and the labor market.
- Gianluca Clemente on applications of recursive contracts in IO and corporate finance.
- Laura Veldkamp on learning and markets for information.
- Martin Schneider on dynamic models of ambiguity and learning.
- Tom Sargent on robustness and risk-sensitivity in macroeconomics.
- Alberto Bisin either on models of choice, learning, and social evolution or on models of bankruptcy and incomplete markets.
- Noah Williams* on the convergence and large deviations of macro models with large deviations.
- Jess Benhabib on models of economic growth and maybe also models of dynamic optimal taxation.
- Mark Gertler on models of fluctuations at various frequencies.
- Dave Backus either on models of the term structure, or new developments in international, or ‘twenty first century preferences’ in macroeconomics.
- Neng Wang* (Columbia) on pencil and paper computable equilibrium models of precautionary savings.

I have put *s on non-NYU people whom I hope we could induce to contribute. I have not included people like Diego and Pierpaolo who I know will be on leave next year.

Teaching credit and other details: I don’t think we should ask that anyone receive teaching credit for this course. I think that it would have a very high return for our students and some of us who would be eager to sit in on this class. I have in mind that the ideal lectures for this course would be like the presentations by Lasse, Alberto, and Laura this year and Sydney last year in the ”young guys’ reading group”, except that the pace would be more leisurely and a little deeper because of the luxury of having two or three sessions by one person (Sydney did two last year, and that worked very well).

Benefits: I predict that a course like this would ignite excitement among our graduate students and would convey to them and the department the power of macroeconomic dynamics to understand events.