

# Philipp Hochmuth

## Contact information

Näckrosvägen 39, Lgh. 1202  
169 37 Solna, Sweden  
+46 76 429 45 24, [philipp.hochmuth@iies.su.se](mailto:philipp.hochmuth@iies.su.se)

## Personal information

CITIZENSHIP: Austria  
DATE OF BIRTH: September 17, 1992  
<https://phoc.github.io>

## References

Professor Per Krusell (IIES) +46 8 16 30 73, [per.krusell@iies.su.se](mailto:per.krusell@iies.su.se)  
Professor Timo Boppart (IIES & University of St. Gallen) +46 8 16 35 52, [timo.boppart@iies.su.se](mailto:timo.boppart@iies.su.se)  
Professor Kurt Mitman (IIES & CEMFI) +46 8 16 30 57, [kurt.mitman@iies.su.se](mailto:kurt.mitman@iies.su.se)  
Assistant Professor Kieran Larkin (IIES) +46 8 674 77 15, [kieran.larkin@iies.su.se](mailto:kieran.larkin@iies.su.se)

## EDUCATION

**Stockholm University**, Institute for International Economic Studies (IIES) Sep. 2018 – Jun. 2024 (expected)  
Ph.D. in ECONOMICS  
**Stockholm University** Sep. 2015 – Jun. 2017  
MSc. in ECONOMICS  
**Johannes Kepler University**, Linz/Austria Oct. 2012 – Jul. 2015  
BSc. in BUSINESS AND ECONOMICS

## RESEARCH INTERESTS

Macroeconomics, Labor economics, Inflation, Nonhomothetic Preferences, Monetary Economics, Entrepreneurship

## TEACHING EXPERIENCE

**Monetary Economics**, Ph.D. level Spring 2022  
Stockholm University, teaching assistant for Daria Finocchiaro, Andreas Westermark (both Riksbank).  
**Econometrics II**, Ph.D. level Spring 2020 and Spring 2021  
Stockholm University, teaching assistant for Konrad Burchardi, Arash Nekoei and David Schönholzer.  
**Macroeconomics I**, Ph.D. level Spring 2020  
Stockholm University, teaching assistant for Alexandre Kohlhas.  
**Labour Economics and Wage Setting Theory**, Masters level Spring 2017  
Stockholm University, teaching assistant for Lars Calmfors.

## RESEARCH EXPERIENCE AND OTHER EMPLOYMENT

**Institute for International Economic Studies**, Stockholm Jul. 2018 – Aug. 2020  
Research assistant to Timo Boppart, Per Krusell and Kurt Mitman.  
**European Central Bank, Directorate General Research**, Frankfurt Aug. 2017 – Jun. 2018  
Research assistant (traineeship) supporting the senior management Oreste Tristani, Philipp Hartmann and Luc Laeven.  
**ifo Economic Research Institute**, Munich Summer 2016  
Summer intern supporting Bastian Schulz.  
**Johannes Kepler University**, Linz/Austria Jan. – May 2015  
Research assistant to René Böheim and Thomas Leoni.

## PROFESSIONAL ACTIVITIES

**Referee** for *Empirica: Journal of European Economics* 2023  
**Organizer** of the “Macro Group”, internal seminar series at the IIES Sep. 2020 – Jun. 2022

## SKILLS

**Programming:** Python, R, Matlab, Stata.  
**Languages:** German, English, Swedish.

## PRESENTATIONS

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2nd PhD Workshop in Money and Finance (Sveriges Riksbank), PSE-CEPR Policy Forum, 5th Winter Meeting of the NOeG (Austrian Economic Association) 2023

Swedish Conference in Economics, Annual Meeting of the NOeG (Austrian Economic Association), 14th Nordic Summer Symposium in Macroeconomics 2022

Stockholm-Uppsala Doctoral Student Workshop in Economics 2021, 2023

## RESEARCH PAPERS

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### **Declining Hours Worked Among Entrepreneurs** (Job Market Paper)

In this paper I show that, over the last 35 years, hours worked by entrepreneurs have fallen substantially: by five hours more than for workers. This decline accounts for the bulk of the fall in total hours worked and is present in all available sub-groups (gender, age, education, number of children, occupation or industry). It is robust to adjusting for compositional effects and occurred without noticeable changes in the relative hourly income of entrepreneurs. The decline originates from the top of the hours distribution: the share of entrepreneurs working many hours has dropped significantly. I interpret these facts using a Roy model of occupational choice, augmented with an intensive labor supply margin. The model allows the marginal return of working an additional hour to depend on the level of hours. I estimate the model at two points in time and find that a fall in the relative marginal return at higher hours worked is key for explaining the drop in hours and the drop in the share of entrepreneurs. I show that changes in the market structure of the goods or services that entrepreneurs sell can account for this.

### **A Nonhomothetic Price Index and Inflation Heterogeneity** (with Markus Pettersson and Christoffer Weissert)

We derive a nonhomothetic generalization of all superlative price indices and document cost-of-living inequality in the United States. When necessities and luxuries are separable in the expenditure function, this generalization eliminates the need to estimate a complete demand model. Using CEX-CPI data from 1995 to 2020, we find no differences in average inflation rates across the expenditure distribution, but 2.5 times higher inflation volatility for the bottom decile than the top decile, stemming from a larger exposure to food, gasoline, and utilities. Our analysis challenges inequality measurements using group-specific homothetic price indices and suggests an income-effect bias in these estimations.

### **A Distributional PCE Price Index From Aggregate Data** (with Markus Pettersson and Christoffer Weissert)

This paper proposes a method to measure individual and aggregate changes in the cost of living when consumer behavior is nonhomothetic and microdata on consumption expenditures are not available. Aggregate prices and expenditure shares together with a single cross-sectional distribution of expenditures are sufficient to create a distribution of nonhomothetic cost-of-living indices with this approach. The cost-of-living indices derive from PIGL preferences, generalize the Törnqvist price index, and only contain two unknown parameters. Because PIGL preferences aggregate consistently, these parameters can be identified from aggregate data. Using US Personal Consumption Expenditure (PCE) data, the method is applied to obtain a nonhomothetic PCE price index covering 72 product groups. This index reveals a 0.5–1.2 percentage point gap in annual inflation rates between the poorest and richest ten percents throughout 2022, and a similar 0.2 percentage point gap on average since 1988, thus suggesting that poorer households are hit harder both in the ongoing inflation surge and in the long run.

## RESEARCH PAPERS IN PROGRESS

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**Welfare Implications of an Energy Price Shock.** Joint with Per Krusell and Kurt Mitman.