

karen.dynan at gmail.com
kdynan at fas.harvard.edu
PIIE [webpage](#)

Karen Dynan

Last update: July 2017

Department of Economics
Littauer 319
Cambridge, MA 02138

RESEARCH INTERESTS

Tax and spending policy, consumer behavior, household finance, housing policy, and macroeconomic policy

ACADEMIC AND POLICY POSITIONS

Harvard University

*Professor of the Practice, Economics Department
Affiliate*

Cambridge, MA

July 2017-
January 2017-June 2017

Peterson Institute of International Economics

Nonresident Senior Fellow

Washington, DC

March 2017-

National Bureau of Economic Research

Visiting Research Scholar

Cambridge, MA

April 2017-

U.S. Department of the Treasury

*Chief Economist and Assistant Secretary for Economic Policy
Confirmed by the U.S. Senate on June 26, 2014
Counselor to the Secretary*

Washington, DC

June 2014-January 2017

September 2013-June 2014

Brookings Institution

*Vice President and Co-director of the Economic Studies Program
Robert S. Kerr Senior Fellow*

Washington, DC

2009-2013
2009-2013

Board of Governors of the Federal Reserve System

*Senior Adviser, Division of Research and Statistics
Assistant Director, Division of Research and Statistics
Chief, Household and Real Estate Finance Section
Senior Economist, Household and Real Estate Finance Section
Senior Economist, Macroeconomic Analysis Section
Economist, Macroeconomic Analysis Section*

Washington, DC

2009
2007-2009
2004-2007
2000-2004
1998-2004
1992-1998

White House Council of Economic Advisers

Senior Economist

Washington, DC

2003-2004

Johns Hopkins University

Visiting Assistant Professor

Baltimore, MD

1998

EDUCATION

Harvard University

*Ph.D. Economics; M.A. Economics
Dissertation: "Consumer Behavior: An Empirical Analysis"
Committee: Greg Mankiw, John Leahy, Jon Skinner*

Cambridge, MA

1992

Brown University

A.B. magna cum laude Applied Math/Economics

Providence, RI

1985

AWARDS AND HONORS

| | |
|--|------|
| Alexander Hamilton Award (highest honor from the U.S. Treasury Department) | 2017 |
| Bok Center Certificate of Distinction in Teaching (Harvard University) | 1991 |
| Allyn Young Teaching Award (Harvard University) | 1991 |

PUBLISHED ACADEMIC PAPERS

"Wealth Effects and Macroeconomic Dynamics," with Daniel Cooper, in *Journal of Economic Surveys* (September 2014).

Working paper version available at:

<http://www.bostonfed.org/economic/ppdp/2013/ppdp1304.htm>.

"The Relationship Between Leverage and Household Spending Behavior: Evidence from the 2007-2009 Survey of Consumer Finances," with Wendy Edelberg, in *Federal Reserve Bank of St. Louis Review*, vol. 95 (September/October 2013). Available at:

<http://research.stlouisfed.org/publications/review/13/09/SepOct13CvrTOC.pdf>.

"The Evolution of Household Income Volatility." *The B.E. Journal of Economic Analysis & Policy: Advances* (December 2012). Available as working paper at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2138990.

"Changing Retirement Behavior in the Wake of the Financial Crisis," with Julia Coronado, in Olivia Mitchell, ed., *Reshaping Retirement Security: Lessons from the Global Financial Crisis*, Oxford: Oxford University Press (September 2012). Available as working paper at: <http://www.pensionresearchcouncil.org/publications/document.php?file=977>.

"Is a Household Debt Overhang Holding Back Consumption?" *Brookings Papers on Economic Activity* (Spring 2012). Available at:

http://www.brookings.edu/~media/projects/bpea/spring%202012/2012a_dynan.

"The Government's Role in the Housing Finance System: Where Do We Go From Here?" with Ted Gayer, in Martin Baily, ed., *The Future of Housing Finance*, Washington, DC: Brookings Institution Press (2011). Available at:

http://www.brookings.edu/papers/2011/0211_housing_finance_dynan_gayer.aspx.

"Comment on Inflation Dynamics and the Great Recession," *Brookings Papers on Economic Activity* (Spring 2011).

"The Incentives of Mortgage Servicers and Designing Loan Modifications to Address the Mortgage Crisis," with Larry Cordell, Andreas Lehnert, Nellie Liang, and Eileen Mauskopf, in Robert W. Kolb, ed., *Lessons From the Financial Crisis: Causes, Consequences, and Our Economic Future*, Hoboken, NJ: John Wiley & Sons, Inc. (2010).

"Changing Household Financial Opportunities and Economic Security," *Journal of Economic Perspectives*, vol. 23 (Fall 2009).

"Designing Loan Modifications to Address the Mortgage Crisis and the Making Home Affordable Program," with Larry Cordell, Andreas Lehnert, Nellie Liang, and Eileen Mauskopf, *Uniform Commercial Code Law Journal*, vol. 42 (November 2009).

Available as working paper at: http://www.brookings.edu/papers/2009/1030_home_dynan.aspx.

"The Incentives of Mortgage Servicers: Myths and Realities," with Larry Cordell, Andreas Lehnert, Nellie Liang, and Eileen Mauskopf, *Uniform Commercial Code Law Journal*, vol. 41 (Spring 2009). Available as working paper at:

<http://www.federalreserve.gov/pubs/feds/2008/200846/200846abs.html>.

"The Effects of Population Aging on the Relationship among Aggregate Consumption, Saving, and Income," with Wendy Edelberg and Michael G. Palumbo, *American Economic Review*, vol. 99 (May 2009).

"The Rise in U.S. Household Indebtedness: Causes and Consequences," with Donald L. Kohn, in Christopher Kent and Jeremy Lawson, eds., *The Structure and Resilience of the Financial System*, Proceedings of a Conference, Reserve Bank of Australia, Sydney (2007). Available as working paper at:

<http://www.federalreserve.gov/pubs/feds/2007/200737/200737abs.html>.

"Increasing Income Inequality, External Habits, and Self-Reported Happiness," with Enrichetta Ravina, *American Economic Review*, vol. 97 (May 2007).

"Can Financial Innovation Explain the Reduced Volatility of Economic Activity?," with Douglas W. Elmendorf and Daniel Sichel, *Journal of Monetary Economics*, vol. 53 (January 2006).

"Do the Rich Save More?," with Jonathan Skinner and Steve Zeldes, *Journal of Political Economy*, vol. 112 (April 2004).

"Recent Changes to a Measure of U.S. Household Debt Service," with Kathleen Johnson and Karen Pence, *Federal Reserve Bulletin*, vol. 89 (October 2003).

"Unemployment Risk and Precautionary Wealth: Evidence from Households' Balance Sheets," with Christopher D. Carroll and Spencer D. Krane, *Review of Economics and Statistics*, vol. 84 (August 2003).

"Mortgage Refinancing in 2001 and Early 2002," with Glenn Canner and Wayne Passmore, *Federal Reserve Bulletin*, vol. 88 (December 2002). Available at: <https://www.federalreserve.gov/pubs/bulletin/2002/1202lead.pdf>.

"The Importance of Bequests and Life-Cycle Saving in Capital Accumulation: A New Answer," with Jonathan Skinner and Stephen P. Zeldes, *American Economic Review*, vol. 92 (May 2002).

"Survey of Finance Companies, 2000," with Kathleen W. Johnson and Samuel M. Slowinski, *Federal Reserve Bulletin*, vol. 88 (January 2002). Available at: <https://www.federalreserve.gov/pubs/bulletin/2002/0102lead.pdf>.

"Habit Formation in Consumer Preferences: Evidence from Panel Data," *American Economic Review*, vol. 90 (June 2000).

"The Underrepresentation of Women in Economics: A Study of Undergraduate Economics Students," with Cecilia Rouse, *Journal of Economic Education*, vol. 28 (Fall 1997).

"How Prudent Are Consumers?" *Journal of Political Economy*, vol. 101 (December 1993).

UNPUBLISHED PAPERS

"Policies for Housing Finance Reform," with Ted Gayer and Phillip Swagel, December 2011. Manuscript available upon request.

"Wealth Effects and the Changing Economy," April 2010. Available at: <http://www.brookings.edu/research/papers/2010/05/14-wealth-effects-changing-economy-dynan>.

"Do Provisional Estimates of Output Miss Economic Turning Points?," with Douglas W. Elmendorf, Finance and Economics Discussion Series 2001-52. Washington: Board of Governors of the Federal Reserve System, 2001. Available at: <https://www.federalreserve.gov/pubs/feds/2001/200152/200152pap.pdf>.

"Does Stock Market Wealth Matter for Consumption?," with Dean M. Maki, Finance and Economics Discussion Series 2001-23. Washington: Board of Governors of the Federal Reserve System, 2001. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=270190.

"The Rate of Time Preference and Shocks to Wealth: Evidence from Panel Data," Economic Activity Discussion Series no. 134. Washington: Board of Governors of the Federal Reserve System, 1993.

CONGRESSIONAL TESTIMONY

"The Federal Reserve's Impact on Main Street, Retirees, and Savings" before the Monetary Policy and Trade Subcommittee of the House Financial Services Committee, June 28, 2017. Available at: <https://piie.com/commentary/testimonies/federal-reserves-impact-main-street-retirees-and-savings>.

"The Outlook for Consumer Spending and the Broader Economic Recovery" before the Joint Economic Committee, October 29, 2009. Available at: http://www.brookings.edu/testimony/2009/1029_recovery_dynan.aspx.

SHORTER ARTICLES AND COMMENTARY

"Prospects for Changes in US Fiscal Policy and Their Effects on the U.S. Economy" in [US-China Cooperation in a Changing Global Economy](#), Peterson Institute for International Economics Briefing 17-1.

"Household Economic Security and Public Policy," *Business Economics*, July 2016. Available at: <https://link.springer.com/article/10.1057/be.2016.18>.

"The Recent Homebuyer Tax Credit: Evaluation and Lessons for the Future," with Ted Gayer and Natasha Plotkin, June 2013. Available at: <http://www.brookings.edu/research/papers/2013/06/28-homebuyer-tax-incentives-dynan-gayer>.

"Better Ways to Promote Saving through the Tax System" in *15 Ways to Rethink the Federal Budget*, The Hamilton Project. Available at: <http://www.brookings.edu/research/papers/2013/02/promote-saving-through-tax-system>.

"Want a Stronger Economic Recovery? Encourage More Home Refinancing." *Yahoo! Finance*, February 20, 2013.

"The U.S. Household Debt Overhang," Keynote speech at the annual research conference of DeNederlandsche Bank. Available at: <http://www.brookings.edu/research/speeches/2012/10/25-household-debt-dynan>.

"Higher Personal Saving: Who Needs It?" *Yahoo! Finance*, October 1, 2012.

"How Bright is the Housing Bright Spot?" *Brookings Upfront Blog*, September 21, 2012.

"The Household Debt Picture: Better, But Still a Drag," *Real Clear Markets*, September 6, 2012.

"What's Been Weighing on Consumption? An Overview of the Recent Experiences of Different Types of Households," Prepared for Federal Reserve Board Academic Consultants Meeting, May 14, 2012. Available at: <http://www.brookings.edu/research/papers/2012/05/household-heterogeneity-dynan>.

"Addressing the Problems in the U.S. Housing Market," *Campaign 2012*. Available at: http://www.brookings.edu/papers/2012/0307_econgrowth_housing_dynan.aspx.

"How We're Doing Amid Policy Gridlock," *Washington Post*, February 12, 2012.

"Household Deleveraging in 2011: Progress, but More to Come," *Brookings Up Front Blog*, December 19, 2011.

"My Path in the Policy World," *Newsletter of the Committee on the Status of Women in the Economics Profession*, Fall 2011. Available at: http://www.aeaweb.org/committees/cswep/newsletters/CSWEP_nsltr_Fall_2011.pdf.

"Can We Count on the Consumer to Lift Us Out of the Economic Doldrums?," *Brookings Up Front Blog*, October 28, 2011.

"Playing the HARP: A New Way Forward on Housing?," *Brookings Up Front Blog*, October 25, 2011.

"What Is Next for the U.S. Economy, Post-Debt Ceiling Debate?," *Brookings Up Front Blog*, August 2, 2011.

"Economic Growth Wanes, Again," *Brookings Up Front Blog*, July 29, 2011.

"How We're Doing: An Uneven Recovery at Home and Abroad," with Domenico Lombardi and Alan Berube, *Washington Post*, May 15, 2011.

- "Are Households More Prudent Now?," *Fiscal Times*, March 29, 2011.
- "Policy Focus Needs to Shift on Foreclosures," *Fiscal Times*, March 16, 2011.
- "Trends: When Less is Less," *Milken Institute Quarterly Review*, First Quarter, 2011.
- "The Top Economic Stories of 2010," with Gary Burtless, Alice Rivlin, Hank Aaron, Donald Kohn, Doug Elliott, and Adele Morris, *Brookings Institution*, December 23, 2010.
- "Expect More Defaults and Foreclosures over the Next Year," *Fiscal Times*, December 17, 2010.
- "Needed: A Reasonable Discussion of Fed Policy," with Donald Kohn, *Financial Times*, November 18, 2010.
- "How We're Doing: Uncertainty Ahead of the Midterms," *Washington Post*, October 31, 2010.
- "Should the Fed Make More Large-Scale Asset Purchases?," *Fiscal Times*, September 9, 2010.
- "Even in a Stagnant Market, There Are Benefits to Homeownership," *Fiscal Times*, August 27, 2010.
- "The Fed Can Do More for the Economy (Part II)," *Fiscal Times*, August 23, 2010.
- "The Fed Can Do More for the Economy (Part I)," *Fiscal Times*, August 20, 2010.
- "Why Congress Needs to Extend Emergency Unemployment Benefits," *Fiscal Times*, July 2, 2010.
- "The Future of Small Business Entrepreneurship: Jobs Generator for the U.S. Economy," with Martin Baily and Douglas Elliott, *Brookings Policy Brief Series # 175*, June 2010.
- "How We're Doing as Debt Fears Rise," with Ted Gayer, *Washington Post*, May 23, 2010.
- "The April 2010 Employment Report," *The Rundown* (PBS NewsHour blog), May 7, 2010.
- "What is Needed to Spur Job Creation?," *The Rundown* (PBS NewsHour blog), February 5, 2010.
- "The Income Rollercoaster: Rising Income Volatility and its Implications," *Pathways Magazine*, Stanford Center for the Study of Poverty and Inequality, Spring 2010.
- "Data for an Evolving Economic and Financial System," *Survey of Current Business*, vol. 90 (February 2010).
- "The Status Report: Obama's Effort to Restore Economic Confidence," *Brookings Up Front Blog*, January 11, 2010.
- "What to Make of Declining Household Debt Burdens," *Brookings Up Front Blog*, December 22, 2009.
- "Five Myths about Holiday Shopping Sprees," *Washington Post*, November 29, 2009.
- "How We're Doing: What's Blocking the Recovery," with Alan Berube and Ted Gayer, *Washington Post*, November 15, 2009.
- "Putting the Expected Strength of the Recovery into Historical Context," *Brookings Up Front Blog*, October 30, 2009.

INTERVIEWS

- "Interview with Karen Dynan," *Federal Reserve Bank of Cleveland ForeFront Magazine*, vol. 3 (Fall 2012).

SELECTED RECENT PRESENTATIONS AND SPEECHES

"The Evolving U.S. Economy and Household Debt," Remarks for the Household Debt Tipping Points Research Symposium, June 2017. Available at: <https://piie.com/commentary/speeches-papers/evolving-us-economy-and-household-debt>.

"Essential Elements of Effective Economic Policymaking," Address to the Society of Government Economists, May 2017. Available at: <https://piie.com/system/files/documents/dynan20170511.pdf>.

"Mortgage Interventions and Economic Growth," Remarks for the "Appropriate Government Role in U.S. Mortgage Markets" Workshop, Federal Reserve Bank of New York, April 2017. Available at: <https://piie.com/system/files/documents/dynan20170427.pdf>.

"Mortgage Policy and the Macroeconomy," Lunchtime panel remarks for the National Bureau of Economic Research 32nd Annual Conference on Macroeconomics, April 2017.

"Economic Challenges Facing U.S. Policymakers," Penn-Wharton Public Policy Initiative Lecture, November 2016.

"Economic Growth and the American Household," Stanford Institute for Economic Policy Research Associates Meeting, October 2016.

"Discussion of 'Why Has Economic Growth Remained Moderate after the Great Recession?'," Federal Reserve Bank of Boston, 60th Economic Conference, October 2016.

"Household Economic Security and Public Policy," National Association for Business Economics Economic Policy Conference, March 2016.

"Personal Saving and Public Policy," Forecasters Club of New York, February 2016.

"Inequality, Opportunity, and Growth: What Can the Government Do?," Wellesley College, February 2016.

"Policies to Raise Personal Saving," Center for American Progress, October 2015.

"What Can Federal Policy Do to Help Achieve Broadly Shared Economic Growth?," NBER Tax Policy and the Economy Meeting, September 2015.

"Enhancing Economic Opportunity for the Middle Class," National Economists Club, June 2015.

"Discussion of 'Skills, Mobility, and Growth' and 'Can Schools Level the Intergenerational Playing Field? Lessons from Equal Educational Opportunity Policies'," Federal Reserve System Community Development Research Conference, April 2015.

"Deleveraging in the United States," Peterson Institute for International Economics Conference on the Global State of Debt and Deleveraging, February 2015.

"What's Driving Deleveraging? Evidence from the 2007-2009 Survey of Consumer Finances," Federal Reserve Bank of New York, June 2013.

"Is a Household Debt Overhang Holding Back Consumption?," University of Michigan Conference on New Directions in Consumption Research with the Panel Study of Income Dynamics, March 2013.

"What's Driving Deleveraging? Evidence from the 2007-2009 Survey of Consumer Finances," Federal Reserve Bank of St. Louis Research Symposium on Restoring Household Financial Stability, February 2013.

"Is a Household Debt Overhang Holding Back Consumption?," Federal Reserve Bank of Cleveland, November 2012.

"The Evolution of Household Income Volatility," U.S. Financial Diaries Advisory Board meeting, September 2012.

"Discussion of 'Dissecting Saving Dynamics: Measuring Credit, Wealth, and Precautionary Effects' by Carroll, Slacalek, and Sommer," Federal Reserve Bank of San Francisco Conference on Structural and Cyclical Elements in Macroeconomics, March 2012.

"Consumer Expenditure Data: A Tool for Better-Informed Policy Decisions," Conference on Improving the Measurement of Consumer Expenditures sponsored by the Conference on Research in Income and Wealth and the National Bureau of Economic Research, December 2011.

"Discussion of 'The Future of the GSEs: The Role for Government in the U.S. Mortgage Market' by Jaffee and Quigley," NBER conference on The Role of the Government in Residential Mortgage Markets, October 2011.

"Changing Retirement Behavior in the Wake of the Financial Crisis," Pension Research Council Spring Symposium, May 2011.

"Household Deleveraging and the Outlook for Consumer Spending," Macroeconomic Advisers, 109th Quarterly Outlook Meeting," December 2010.

"Financial Regulation and the Economic Security of Low-Income Households," Institute for Research on Poverty, University of Wisconsin," October 2010.

"Household Leveraging and Deleveraging," National Economics Club, May 2010.

"Wealth Effects and the Changing Economy," National Bureau of Economic Research Conference on the Economics of Household Saving," April 2010.

"Household Leveraging and Deleveraging," Forecasters Club of New York, February 2010.

TEACHING EXPERIENCE

Macroeconomics (graduate level); Money and Banking (undergraduate level); Principles of Economics (undergraduate level)

PUBLIC AND PROFESSIONAL SERVICE

| | |
|--|-----------|
| Member, U.S. Bureau of Economic Analysis Advisory Committee | 2012-2013 |
| Member, American Economic Association Committee on Economic Statistics | 2012-2013 |
| Member, U.S. Financial Diaries Advisory Board | 2011-2013 |
| Chair, Board of Overseers of the Panel Study of Income Dynamics | 2011-2013 |
| Member, Bank of America National Community Advisory Committee | 2010-2013 |
| Member, Hamilton Project Advisory Council | 2010-2013 |
| Member, Board of Overseers of the Panel Study of Income Dynamics | 2008-2011 |

Papers reviewed for the *American Economic Review*, *Economic Journal*, *Journal of Economic Dynamics and Control*, *Journal of Economic Growth*, *Journal of Human Resources*, *Journal of Macroeconomics*, *Journal of Monetary Economics*, *Journal of Money, Credit and Banking*, *Journal of Political Economy*, *Journal of Public Economics*, *Quarterly Journal of Economics*, *Quarterly Review of Economics and Finance*, and *Review of Economics and Statistics*

Grant proposals reviewed for the Smith Richardson Foundation, the National Science Foundation, and the University of Michigan National Poverty Center

GRANTS RECEIVED

"Household Debt and the Real Economy," Smith Richardson Foundation 2012

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| "Exploring the Need for a New Nationally Representative Household Panel in the United States: A Workshop Proposal," with Suzanne Bianchi, Charles Brown, Lindsay Chase-Lansdale, Mick Couper, Robert Moffitt, and Robert Schoeni, National Science Foundation | 2012 |
| "Evaluations of the First-Time Homebuyer Tax Credit and the Cash for Clunkers Program," with Ted Gayer, MacArthur Foundation | 2010 |

OTHER AFFILIATIONS AND EMPLOYMENT

| | |
|--|-------|
| Senior Adviser, Macropolicy Perspectives | 2017- |
| Consultant, Federal Reserve Bank of New York | 2013 |
| Consultant, Federal Reserve Bank of Cleveland | 2012 |
| Consultant, Board of Governors of the Federal Reserve System | 2012 |
| Member, Council on Foreign Relations | 2011- |
| Member, American Economic Association | 1990- |