DIW Berlin, Anton-Wilhelm-Amo-Straße 58
10117 Berlin
+4915735450899
E-mail: frederik.kurcz@gmail.com
Website: frederik.kurcz.de

Frederik Paul Kurcz

Education

10.2020- **Economics, PhD Candidate**, *Berlin School of Economics (associated with Freie Universität Berlin)*, Berlin
Supervisor: Prof. Dr. Alexander Kriwoluzky

10.2015-05.2018 **Economics, M.Sc.**, *University of Tübingen*, Tübingen

2016 **Economics, M.A.**, *Queen's University*, Kingston, Canada (Fall term)

2011-2015 **Economics and Business Administration, B.Sc.**, *University of Hohenheim*, Stuttgart-Hohenheim

Research interests

Macroeconomics, Monetary and Fiscal Policy, Household Heterogeneity

Job Market Paper

10.2025 **Quantifying the Fiscal Channel of Monetary Policy**
In business-cycle models the effects of monetary policy depend on the fiscal reaction to interest rate changes. This paper presents new evidence on the dynamic causal effects of U.S. monetary policy shocks on fiscal instruments and estimates a Heterogeneous Agent New Keynesian model with fiscal feedback rules to match and interpret the empirical results. I find that U.S. fiscal policy responds to monetary-induced output contractions with debt-financed, countercyclical tax and transfer policies, amid a gradual decline in spending to accommodate the debt increase. The model implies that monetary policy unopposed by a business-cycle stabilization motive of fiscal policy would be roughly one-third more contractionary. As a result, the fiscal channel renders the effects of monetary policy state-dependent on the fiscal capacity for stabilization policy.

Publications

07.2022 **Do words hurt more than actions? The impact of trade tensions on financial markets**, ***Journal of Applied Econometrics*** *37(6), 1138-1159*, jointly with Massimo Ferrari and Maria Sole Pagliari

We use machine learning techniques to quantify trade tensions between the United States and China. Our measure matches well-known events in the US-China trade dispute and is exogenous to the developments on global financial markets. Local projections show that rising trade tensions leave US markets largely unaffected, except for firms that are more exposed to China, while negatively impacting stock market indices and exchange rates in China and emerging markets. We complement these findings with additional evidence suggesting that the US-China trade tensions have been interpreted as a negative demand shock for the Chinese economy rather than as a global risk shock.

Working Papers & Work in progress

08.2025 **Friend, not Foe? Monetary Policy and Energy Prices**, *DIW Discussion Paper 2033*, jointly with Gökhan Ider, Alexander Kriwoluzky, and Ben Schumann

In this paper, we first present a new empirical finding by showing that the European Central Bank's monetary policy decisions significantly influence global energy prices. Through Lucas-critique-robust counterfactual analysis, we show that a central bank's ability to affect global energy prices strengthens the monetary transmission to inflation and alleviates the inflation-output tradeoff. We illustrate the relevance of these results by examining their role in the optimal policy response to an energy supply shock. Our estimates show that the ability of monetary policy to affect global energy prices halves the tightening necessary to stabilize inflation and mitigates the corresponding economic contraction.

09.2025 **One Money, Many Fiscal Policies - Evidence from the Euro Area**, *Work in progress*, jointly with Luis Huxel, Alexander Kriwoluzky, and Gernot Müller

In this paper, we study the country-level fiscal role in Euro Area monetary transmission. The European monetary and fiscal setting provides a well-suited testing ground to study the importance of heterogeneous, country-level fiscal responses to a common monetary shock. By employing Bayesian vectorautoregressive estimation techniques we characterize the fiscal responses of country groups according to common characteristics, such as structural fiscal differences. Preliminary results show that low-debt and hight-debt members of the Euro Area pursue systematically different fiscal adjustments to the monetary shock. Importantly, the differential fiscal responses lead to significantly different output and consumption responses. These preliminary results for the Euro Area underscore the importance of the fiscal response in shaping the real effects of monetary policy on the economy.

Teaching

Summer term 2025 **Advanced Macroeconomic Analysis II (PhD)**, *Teaching Assistant*

Winter term 2022/2023 **Behavioral Macroeconomics - Seminar (B.Sc.)**, *Teaching Assistant*

Summer term 2022 **Fundamentals of Macroeconomics (B.Sc.)**, *Teaching Assistant*

Winter term 2021/2022 **Behavioral Macroeconomics - Seminar (B.Sc.)**, *Teaching Assistant*

Professional Experience

Research

07.2025 **Research visit University of Bonn**, Bonn, Prof. Dr. Christian Bayer

06.2025 **Research visit University of Tübingen**, Tübingen, Prof. Dr. Gernot Müller

10.2021- **German Institute for Economic Research**, *Research Associate*, Berlin, Macroeconomics Department

10.2021-03.2023 **Freie Universität Berlin**, *Research and Teaching Assistant*, Chair of Macroeconomics

03.2020-07.2020 **Deutsche Bundesbank**, *Internship*, Frankfurt am Main, Monetary Policy and Analysis Division - Group Fundamental Questions

09.2019-12.2019 **European Central Bank**, *Research Analyst*, Frankfurt am Main, International Policy Analysis, DG International & European Relations

09.2018-08.2019 **European Central Bank**, *Traineeship*, Frankfurt am Main, External Developments Division, DG International & European Relations

04.-09.2017, 05.-10.2018 **University of Tübingen**, *Student Research Assistant*, Tübingen, Chair of International Macroeconomics and Finance of Prof. Gernot Müller

Miscellaneous

2010-2011 **Voluntary Year of Social Service**, *Katharinenhospital Stuttgart*, Stuttgart

Policy Work

2025 **Gemeinschaftsdiagnose**, *Joint economic forecast*, Autumn 2025, Autumn 2024, Spring 2024, Autumn 2023, Spring 2022, and Autumn 2021.

2025 **Deutsche Konjunktur dank Finanzpaket vor Aufschwung – Unsicherheiten in der Weltwirtschaft**, *DIW Weekly report*, 92(36), 561-580, jointly with Dany-Knedlik, G., Baldi, G., Brehl, N. M., et al.

2025 **Zollchaos überschattet Weltwirtschaft – Finanzpaket stützt deutsche Konjunktur**, *DIW Weekly report*, 92(24), 349-385, jointly with Dany-Knedlik, G., Baldi, G., Brehl, N. M., et al.

2025 **Vollständige europäische Bankenunion würde Finanzierungskosten senken und Investitionen ankurbeln**, *DIW aktuell*, 113, jointly with Hüttl, Pia

2025 **DIW-Konjunkturprognose: Politische Richtungswechsel werden Spuren hinterlassen**, *DIW Weekly report*, 92(11), 153-172, jointly with Dany-Knedlik, G., Baldi, G., Brehl, N. M., et al.

2024 **Monetary policy during the energy price crisis: ECB could have contained inflation earlier**, *DIW Weekly report*, 14(40/41/42), 241-247, jointly with Gökhan Ider, Alexander Kriwoluzky, and Ben Schumann.

2024 **DIW-Konjunkturprognose: Deutsche Wirtschaft dümpelt vor sich hin – Handelskonflikte bedrohen Weltwirtschaft**, *DIW Weekly report*, 91(50), 797-832, jointly with Dany-Knedlik, G., Baldi, G., Brehl, N. M., et al.

2024 **DIW-Konjunkturprognose: Industrie stottert weltweit – Deutsche Wirtschaft stagniert**, *DIW Weekly report*, 91(36), 553-567, jointly with Dany-Knedlik, G., Brehl, N. M., Engerer, H. et al.

2024 **DIW-Konjunkturprognose: Weltkonjunktur erholt sich zügiger – Deutsche Wirtschaft kommt in Fahrt**, *DIW Weekly report*, 91(24), 349-381, jointly with Dany-Knedlik, G., Baldi, G., Brehl, N. M. et al.

2024 **DIW-Konjunkturprognose: Weltwirtschaft wächst robust – Deutschlands Erholung verzögert sich weiter**, *DIW Weekly report*, 91(10), 143-164, jointly with Bönke, T., Baldi, G., Engerer, H. et al.

2023 **DIW-Konjunkturprognose: Aussichten reichen von wolkig bis heiter**, *DIW Weekly report*, 90(50), 703-742, jointly with Bönke, T., Dany-Knedlik, G., Baldi, G. et al.

2023 **Addressing inflationary risks in the face of high energy prices: what can the ECB do?**, *European Parliament Monetary Dialogue Papers*, Prospects for monetary policy one year into the war in Ukraine, jointly with Gökhan Ider, Alexander Kriwoluzky, and Ben Schumann.

2023 **DIW-Konjunkturprognose: Deutschland hinkt der Weltwirtschaft hinterher**, *DIW Weekly report*, 90(36/37), 471-503, jointly with Bönke, T., Dany-Knedlik, G., Baldi, G. et al.

2023 **And yet they move: Energy prices fall when key interest rates increase, despite countervailing effects**, *DIW Weekly report*, 90(8), 87-94, jointly with Gökhan Ider, Alexander Kriwoluzky, and Ben Schumann.

2023 **DIW-Konjunkturprognose: Deutsche Wirtschaft kämpft sich aus der Winterrezession**, *DIW Weekly report*, 90(24), 287-321, jointly with Bönke, T., Dany-Knedlik, G., Baldi, G. et al.

2022 **ECB can lower fuel and heating costs by increasing interest rates but would risk economic recovery**, *DIW Weekly report*, 89(14), 219-225, jointly with Gökhan Ider and Alexander Kriwoluzky.

2022 **DIW-Konjunkturprognose: Dem Wintertief folgt ein Sommerhoch**, *DIW Weekly report*, 89(8), 123-133., jointly with Baldi, G., Berenberg-Gossler, P., Engerer, H. et al.

2021 **Weltwirtschaft nach Dämpfer im Sommer wieder auf Erholungskurs**, *DIW Weekly report*, 88(37), 600-614, jointly with Baldi, G., Dany-Knedlik, G., and Engerer, H.