

# Andreas Hornstein

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## Education

- Diplom, Economics, Universität Konstanz, Germany, 1984
- Doctor of Philosophy, Economics, University of Minnesota, 1991

## Experience

- Vice President, Federal Reserve Bank of Richmond, Research Department, February 2005 to present
- Research Officer, Federal Reserve Bank of Richmond, Research Department, July 2002 to January 2005
- Associate Research Officer, Federal Reserve Bank of Richmond, Research Department, July 2000 to July 2002
- Economist, Federal Reserve Bank of Richmond, Research Department, December 1996 to June 2000
- Visiting Lecturer, University of Virginia, Department of Economics, Spring 2001
- Visitor, University of Minnesota and Institute of Empirical Macroeconomics, Federal Reserve Bank of Minneapolis, Fall 1993
- Assistant Professor, Department of Economics, University of Western Ontario, July 1991 - August 1997
- Lecturer, University of Western Ontario, Department of Economics, July 1990 - June 1991

## Published Work in Refereed Journals

- Hornstein, Andreas, Per Krusell, and Giovanni L. Violante. “Technology-policy interaction in frictional labor markets,” *Review of Economic Studies* 74 (2007), 1089-1124.
- Hornstein, Andreas, Per Krusell and Giovanni L Violante. “The replacement problem in frictional economies: An “equivalence result,” *Journal of the European Economic Association* 3 (5) (September 2005): 1007-57.
- Dotsey, Michael, and Andreas Hornstein. “Should a monetary policy maker look at money?” *Journal of Monetary Economics* 50 (2003): 547-579.
- Fisher, Jonas D.M. and Andreas Hornstein. “Real wages, productivity, and fiscal policy in Germany 1928-37” *Review of Economic Dynamics* 5 (2002): 100-127. Reprinted in Timothy J. Kehoe and Edward C. Prescott (eds.). 2007. *Great Depressions of the Twentieth Century*, Minneapolis: Federal Reserve Bank of Minneapolis: 139-166
- Fisher, Jonas D.M. and Andreas Hornstein. “(S,s) inventory policies in general equilibrium.” *Review of Economic Studies* v.67 (1) (January 2000): 117-145.
- Hornstein, Andreas, and Harald Uhlig. “What is the real story for interest rate volatility?” *German Economic Review* v.1 (1) (February 2000): 43-67.
- Hornstein, Andreas, and Mingwei Yuan. “Can a matching model explain the long-run increase in Canada’s unemployment rate?” *Canadian Journal of Economics* v.32 (4) (August 1999): 878-905.
- Hornstein, Andreas, and Jack Praschnik. “Intermediate inputs and sectoral comovement in the business cycle.” *Journal of Monetary Economics* v.40 (3) (December 1997): 573–595.
- Hornstein, Andreas. “Monopolistic competition, increasing returns to scale, and the importance of productivity shocks.” *Journal of Monetary Economics* v.31 (3) (June 1993): 299–316.
- Hornstein, Andreas, and Per Krusell. “Money and insurance in a turnpike environment.” *Economic Theory* v.3 (1) (January 1993): 19–34.
- Hornstein, Andreas, and Edward C. Prescott. “Insurance contracts as commodities: a note” *Review of Economic Studies* v.58 (5) (October 1991): 917–928.
- Hornstein, Andreas, and Edward C. Prescott. “Measures of the insurance sector output.” *Geneva Papers on Risk and Insurance* v.16 (59) (April 1991): 191–206.

## Other Publications

- Chang, Yongsung, and Andreas Hornstein. “Home production,” Forthcoming in *Palgrave Dictionary of Economics*.
- Hornstein, Andreas. “Evolving Inflation Dynamics and the New Keynesian Phillips Curve,” *Federal Reserve Bank of Richmond - Economic Quarterly* v.93 no.4 (Fall 2007), 317-339.
- Dotsey, Michael, and Andreas Hornstein, “Implementation of optimal monetary policy,” *Federal Reserve Bank of Richmond - Economic Quarterly* v.92 no.2 (Spring 2006), 113-131.
- Hornstein, Andreas, Per Krusell, and Giovanni L Violante. “The effects of technical change on labor market inequalities,” in *Handbook of Economic Growth 1B*, Philippe Aghion and Stephen N. Durlauf (eds.), Amsterdam: Elsevier, 2005: 1275-1370.
- Hornstein, Andreas, and Alexander L. Wolman, “Trend inflation, firm-specific capital, and sticky prices,” *Federal Reserve Bank of Richmond - Economic Quarterly* v.91 no.4 (Fall 2005), 57-83.
- Hornstein, Andreas, Per Krusell and Giovanni L Violante. “Unemployment and vacancy fluctuations in the matching model: Inspecting the mechanism,” *Federal Reserve Bank of Richmond - Economic Quarterly* v.91 no.3 (Summer 2005), 19-50.
- Hornstein, Andreas. “(Un)balanced growth,” *Federal Reserve Bank of Richmond - Economic Quarterly* v.90 no.4 (Fall 2004), 25-45.
- Hornstein, Andreas. Book review of Jean-Pascal Benassy, “The Macroeconomics of Imperfect Competition and Nonclearing Markets: A Dynamic General Equilibrium Approach,” Cambridge and London: MIT Press. *Journal of Economic Literature* 42 (2004), 513-15.
- Hornstein, Andreas, and Per Krusell. “Implications of the capital-embodiment revolution for directed R&D and wage inequality,” *Federal Reserve Bank of Richmond - Economic Quarterly* v.89 no.4 (Fall 2003), 25-50.
- Hornstein, Andreas. Book review of Stephen L. Parente and Edward C. Prescott, *Barriers to Riches*, MIT Press. *Journal of Economic Literature* 40 (2002), 1246-1248.
- Hornstein, Andreas. “Towards a theory of capacity utilization: shiftwork and the workweek of capital,” *Federal Reserve Bank of Richmond - Economic Quarterly* v.88 no.2 (Spring 2002), 65-86.
- Hornstein, Andreas. “Computers and growth with frictions: Aggregate and disaggregate evidence. A comment”, *Carnegie Rochester Conference Series on Public Policy* v.55 (2001): 217-228.

- Hornstein, Andreas, and Per Krusell. “New technology and productivity: A macroeconomic perspective.” In *European Economy*. European Commission. Directorate-General for Economic and Financial Affairs. Reports and Studies. Current Issues in Economic Growth. No.1 2001.
- Hornstein, Andreas, and Per Krusell. “The IT Revolution: Is it evident in the productivity numbers?” *Federal Reserve Bank of Richmond - Economic Quarterly* v.86 (4) (Fall 2000): 49-78.
- Hornstein, Andreas. “The business cycle and industry comovement.” *Federal Reserve Bank of Richmond - Economic Quarterly* v.86 (1) (Winter 2000): 27-48.
- Hornstein, Andreas. “Growth accounting with technological revolutions.” *Federal Reserve Bank of Richmond - Economic Quarterly* v.85 (3) (Summer 1999): 1-22.
- Hornstein, Andreas. “Inventory investment and the business cycle.” *Federal Reserve Bank of Richmond - Economic Quarterly* v.84 (2) (Spring 1998): 49–71.
- Hornstein, Andreas, and Per Krusell. “Can technology improvements cause productivity slowdowns?” In *NBER Macroeconomics Annual 1996*, B. Bernanke and J. Rotemberg (eds.). Cambridge MA: MIT Press 1996: 209-259.
- Hornstein, Andreas, and Edward C. Prescott. “The firm and the plant in general equilibrium theory.” In *General Equilibrium, Growth, and Trade II*, R. Becker, M. Boldrin, R. Jones, and W. Thomson (eds.). San Diego: Academic Press, 1993: 393–410.

## Working Papers

- Chang, Yongsung, and Andreas Hornstein. “Home production,” Federal Reserve Bank of Richmond Working Paper 06-04.
- Chang, Yongsung, Andreas Hornstein, and Pierre Sarte. “Understanding how employment responds to productivity shocks when firms hold inventories,” Federal Reserve Bank of Richmond Working Paper 06-06.
- Hornstein, Andreas, Per Krusell, and Giovanni L. Violante. “Frictional wage dispersion in search models: A quantitative assessment,” Federal Reserve Bank of Richmond Working Paper 06-07.
- Hornstein, Andreas, Per Krusell, and Giovanni L. Violante. “Technical Appendix to Frictional wage dispersion in search models: A quantitative assessment,” Federal Reserve Bank of Richmond Working Paper 06-08.

## Unpublished Research

- “Capital-skill complementarity and economic development” with Yongsung Chang
- “Optimal time-consistent monetary policy with state-contingent prices” with Michael Dotsey
- “Sticky prices and real rigidities/flexibilities”

## Refereeing

American Economic Review; The B.E. Journals in Macroeconomics; Canadian Journal of Economics; *Economica*; Economic Inquiry; Economic Journal; Economic Letters; Economic Modeling; Economic Theory; European Economic Review; German Economic Review; International Economic Review; International Review of Economics and Finance; Journal of Applied Econometrics; Journal of Business and Economic Statistics; Journal of Economic Dynamics and Control; Journal of Economic Growth; Journal of Economic Theory; Journal of European Economic Association; Journal of Labor Economics; Journal of Macroeconomics; Journal of Monetary Economics; Journal of Money, Credit, and Banking; Journal of Political Economy; Journal of Population Economics; Macroeconomic Dynamics; Review of Economic Dynamics; Review of Economic Studies; Scandinavian Journal of Economics; National Science Foundation; SSHRC. Past member of the editorial advisory board of the Canadian Journal of Economics (1995-1998).

## Recent Presentations

- ‘Frictional Wage Dispersion in Search Models: A Quantitative Assessment,’ presented at
  - Humboldt University, Berlin, June 2007;
  - NBER Economic Fluctuations Conference, San Francisco, February 9, 2007.
  
- “Capital-skill complementarity and economic development” presented at
  - University of Rochester, October 2007;
  - CERGE, Prague, June 2007;
  - Philadelphia Fed/U Penn Workshop on Macroeconomics and Money, March 30, 2007;
  - NBER Economic Growth Conference, San Francisco, February, 2007;
  - Federal Reserve Bank of Chicago, June 2006;
  - CEPR European Summer Seminar on International Macroeconomics, Tarragona, Spain, May 2006;
  - Institute for Advanced Studies, Vienna, Austria, April 2006.
  
- ‘Interest Rate versus Money Supply Instruments: On the Implementation of Markov-Perfect Optimal Monetary Policy at’
  - Bundesbank, April 2008
  - University of Rochester, Wallis Institute, March 2008

- “Sticky prices and real rigidities/flexibilities” presented at
  - Bank of Korea, Seoul, South Korea, October 2005;
  - University of Tokyo, Tokyo, Japan, October 2005.
- “Productivity, employment, and inventories” presented at
  - European Central Bank, Frankfurt, Germany, April 2006;
  - Universität Konstanz, Konstanz, Germany, November 2005;
  - NBER EFG Research Meeting, Boston, July 2004;
  - NBER Summer Workshop, Boston, July 2004;
  - SED Annual Conference, Florence, June 2004;
  - ASSA Meetings in San Diego, January, 2004.
- “Technology-policy interaction in frictional labor markets” presented at
  - Seoul National University, Seoul, South Korea, October 2005;
  - University of Tokyo, Tokyo, Japan, October 2005;
  - Federal Reserve Bank of San Francisco SIEPR Workshop on Technological Change, November 2002.
- “The replacement problem in frictional economies: An “equivalence result” presented at
  - Workshop on Search and Matching on the Labor Market, IZA, Bonn, Germany, November, 2003;
  - SED Annual Meetings, Paris, France, June 2003;
  - International Seminar on Macroeconomics, Barcelona, Spain, June 2003.
- “Is the behavior of money useful for a discretionary policy maker?” presented at
  - ASSA Meetings in New Orleans, January 2001.
- “Optimal time-consistent monetary policy with state-contingent prices” presented at
  - NBER Summer Workshop, July 2001;
  - European Central Bank, Frankfurt/Main, Germany, July 2001;
  - Universität Tübingen, Germany, July 2001;
  - SED Annual Meetings in Stockholm, June 2001.