Econ 152 - Advanced Macroeconomics

Adrien Auclert

Winter 2026

Instructor: Adrien Auclert, aauclert@stanford.edu

Lectures: Mondays and Wednesdays, 1:30pm-3:20pm, in Littlefield 107.
Classes run 01/05 to 03/11.

Adrien's Office Hours: Wednesdays 3:30-4:30pm, in Econ 348

Teaching Assistant: TomáĹ Ťapák, tapak@stanford.edu

TA sections: Fridays 1:30pm and 2:30pm, room TBC

TA Office Hours: Tuesdays-Thursdays 4pm-5pm, room TBC

Course website: `http://canvas.stanford.edu`.

Course objective: This is an advanced course in macroeconomics. We build the analytical foundations for understanding key macroeconomic issues, such as the sources of business cycles, the causes of inflation, and the effects of monetary and fiscal policy on the economy. We will cover the main theoretical frameworks used by modern macroeconomists, discuss the empirical evidence in favor of these models, and use quantitative macro models to answer macro policy questions.

Prerequisites. Working knowledge of constrained optimization at the level of Math 51, and general equilibrium at the level of Econ 50.

Class material: My lecture slides and supplementary readings provided are the primary material for this class. We will also make use of the following textbook:

- Kurlat, Pablo. A Course in Modern Macroeconomics (2020). ISBN:1073566714.

The following textbooks are also useful if you want additional background reading:

- Romer, David. Advanced Macroeconomics, 5th edition (2019). ISBN: 1260185214.
- Williamson, Stephen. Macroeconomics, 6th edition (2021). ISBN: 013447211X.
- Blanchard, Olivier. Fiscal Policy Under Low Interest rates (2023). ISBN: 0262544873.

Grading: Grading will be based on four problem sets (worth 30% of your grade), a midterm (worth 30% of your grade), a final exam (worth 30% of your grade), and class participation (worth 10% of your grade). The problem sets are posted on Thursdays and due ten days later, Monday at midnight. The midterm and the final exam will be in-class, closed-book exams.

Policies: Economics Department Courses have a common set of course management policies governing missed exams and re-grading. You are responsible for knowing these policies, see `https://economics.stanford.edu/undergraduatemajor/economics-common-syllabus`

Students with Documented Disabilities: Students who may need an academic accommodation based on the impact of a disability must initiate the request with the Office of Accessible Education (OAE). Professional staff will evaluate the request and prepare an Accommodation Letter for faculty. Students should contact the OAE as soon as possible since timely notice is needed to coordinate accommodations. The OAE website is at `https://oae.stanford.edu`.

Class plan. The plan for each class is outlined below. There may be some deviations from the plan, so this is just a general guideline. Roughly speaking, the first half of the course will cover standard topics at a pretty formal level, similar to the treatment in Pablo Kurlat's textbook. This will set the stage for the second half of the course where we will cover more advanced topics. There, where we will rely on readings from specialized books and research papers.

Week #		Date	Events	Topic	Lec #	Readings
	M	5-Jan		Introduction & measurement	1	Chapter 1
1	W	7-Jan	PS1 posted	Beyond GDP	2	Chapter 2
	F	9-Jan		Section 1		
	M	12-Jan		Labor supply & demand	3	Chapter 7
2	W	14-Jan		General equilibrium	4	Chapter 9
	F	16-Jan		Section 2		
	M	19-Jan	PS1 due	*MLK day – No class*		Chapter 6
3	W	21-Jan	PS2 posted	Consumption, savings, interest rates	5	Chapter 8
	F	23-Jan		Section 3		
	M	26-Jan		Investment and capital	6	Chapter 12
4	W	28-Jan		Real Business Cycle facts	7	Chapter 13
	F	30-Jan		Section 4		
	M	2-Feb	PS2 due	Midterm review		
5	W	4-Feb		Midterm		
	M	9-Feb		Real Business Cycle model	8	Chapter 14
6	W	11-Feb	PS3 posted	New Keynesian model	9	Chapter 15
	F	13-Feb		Section 5		
	M	16-Feb		*MLK day – No class*		
7	W	18-Feb		Monetary and fiscal policy in the NK model	10	
	F	20-Feb		Section 6		
	M	23-Feb	PS3 due	Government debt sustainability	11	
8	W	25-Feb	PS4 posted	Government debt and r vs g	12	
	F	27-Feb		Section 7		
	M	2-Mar		Fiscal policy with heterogeneous agents	13	
9	W	4-Mar		Monetary policy with heterogeneous agents	14	
	F	6-Mar		Section 8		
	M	9-Mar	PS4 due	Macroeconomics of tariffs	15	
10	W	11-Mar		Final review		
	F	13-Mar		Section 9		
	W	18-Mar		Final exam		

Readings

Below are optional class readings in addition to the textbook listed above. Those marked with a *star should be particularly helpful to complement the class material.

Lectures 1-2: GDP and welfare

Lequiller, F. and Blades, D. (2007). *Understanding National Accounts*. OECD Publishing

Jones, C.I. and Klenow, P.J. (2016). Beyond GDP? Welfare across Countries and Time. *American Economic Review* 106(9):2426–2457

Lectures 3-4: labor supply and demand, general equilibrium

Boppart, T. and Krusell, P. (2020). Labor Supply in the Past, Present, and Future: A Balanced-Growth Perspective. *Journal of Political Economy* 128(1):118–157

Lectures 4-6: consumption, savings, investment

Friedman, M. (1957). The Permanent Income Hypothesis. In: *A Theory of the Consumption Function*. Princeton, N.J: Princeton University Press

Jappelli, T. and Pistaferri, L. (2010). The Consumption Response to Income Changes. *Annual Review of Economics* 2(1):479–506

Lectures 7-8: Real Business Cycles

King, R.G. and Rebelo, S.T. (1999). Chapter 14–Resuscitating real business cycles. In: J.B. Taylor and M. Woodford (eds.) *Handbook of macroeconomics*, vol. Volume 1, Part B, pp. 927–1007

Lectures 9-10: the New Keynesian model

*Mankiw, N.G. and Weinzierl, M. (2011). An Exploration of Optimal Stabilization Policy. *Brookings Papers on Economic Activity* pp. 209–272

Nakamura, E. and Steinsson, J. (2018). Identification in Macroeconomics. *Journal of Economic Perspectives* 32(3):59–86

Galí, J. (2008). *Monetary Policy, Inflation, and the Business Cycle: An Introduction to the New Keynesian Framework*. Princeton University Press

Lectures 11-12: government debt and r vs g

*Diamond, P.A. (1965). National Debt in a Neoclassical Growth Model. *American Economic Review* 55(5):1126–1150

Barro, R.J. (1974). Are Government Bonds Net Wealth? *Journal of Political Economy* 82(6):1095–1117

Blanchard, O.J. and Fischer, S. (1989). *Lectures on Macroeconomics*. The MIT Press

Lectures 13-14: fiscal and monetary policy with heterogeneous agents

Auclert, A., Rognlie, M. and Straub, L. (2023). The Trickling Up of Excess Savings. *AEA Papers and Proceedings* 113:70–75

Auclert, A., Rognlie, M. and Straub, L. (2024). The Intertemporal Keynesian Cross. *Journal of Political Economy* 132(12):4068–4121

*Auclert, A. (2019). Monetary Policy and the Redistribution Channel. *American Economic Review* 109(6):2333–2367

Lecture 15: tariffs

Amiti, M., Redding, S.J. and Weinstein, D.E. (2019). The Impact of the 2018 Tariffs on Prices and Welfare. *Journal of Economic Perspectives* 33(4):187–210

Auclert, A., Rognlie, M. and Straub, L. (2025). The Macroeconomics of Tariff Shocks. NBER Working Paper No 33726.