

Project 1 – First Year Research Proposal

- a) Title: Heterogeneous Monetary Policy Pass-Through to Consumer Credit: Evidence from Brazil
- b) Abstract: My research proposal details a project that uses loan-level data from the Banco Central do Brasil (BCB) to examine the distributional effects of monetary policy through consumer credit. The first element of this project will establish how monetary policy affects the different interest rates faced by consumers, and determine which households see the largest changes in their borrowing rates. The primary focus will be on how monetary policy pass-through changes along the income distribution, with a secondary focus on how this is affected by race, gender and financial literacy. The project will then investigate what drives pass-through heterogeneity, establishing whether the results are driven by banks with higher market power and markets with higher concentration. These empirical findings would enable a more detailed understanding of the distributional effects of monetary policy operating through household credit markets, and the implications of this for aggregate demand.
- c) Web-link: N/A, the research project is not completed.
- d) Reference: N/A