

# MICHAEL BOUTROS

Office 273, Max Gluskin House  
150 St. George Street  
Toronto, Ontario  
M5S 3G7, Canada

Office 3236, Kaneff Centre  
1833 Inner Circle Road  
Mississauga, Ontario  
L5L 1C6, Canada

<http://www.michaelboutros.com>  
[michael.boutros@utoronto.ca](mailto:michael.boutros@utoronto.ca)  
(905) 828 – 3864

## Research Areas

---

Household Finance, Macroeconomics, Bounded Rationality

## Affiliations

---

- 07/2024 – Assistant Professor, University of Toronto  
– Department of Economics
- 09/2025 – Research Fellow, Behavioural Economics in Action at Rotman (BEAR) Research Centre
- 07/2024 – External Academic Consultant, Bank of Canada
- 06/2021 – 06/2024 Senior Economist, Bank of Canada  
– Model Development and Research Division, Financial Stability Department  
– Economics and Financial Research Department

## Awards

---

- 2025 – 2027 Connaught New Researcher Award
- 2020 – 2021 SSHRC Doctoral Fellowship

## Education

---

- 2021 Ph.D. in Economics, Duke University  
Thesis: Essays on Heterogeneous Households in Macroeconomics  
Committee: Francesco Bianchi (chair), David Berger, Cosmin Ilut, and Andrea Lanteri
- 2019 M.A. in Economics, Duke University
- 2015 B.Sc. in Financial Economics, *High Distinction*, University of Toronto

## Publications

---

1. **Monetary Policy Implementation in a Negative Rate Environment** with Jonathan Witmer. *Journal of Money, Credit, & Banking*, 52 (2-3), March-April 2020, p. 441-470.

*Abstract:* To analyze monetary policy implementation in a negative rate environment, we add the option to exchange central bank reserves for cash to the standard workhorse model of monetary policy implementation (Poole 1968). Importantly, we show that monetary policy can be constrained when the target overnight rate is below the yield on cash. At this point, the overnight rate equals the yield on cash instead of the target rate. Modifications to the implementation framework, such as a reserve requirement that varies with cash withdrawals, can help restore the implementation of monetary policy such that the overnight rate equals the target rate.

*Presentations:* ECB Workshop on Money Markets, Monetary Policy Implementation and Central Bank Balance Sheets (2017)

2. **Borrow Now, Pay Even Later: A Quantitative Analysis of Student Debt Payment Plans** with Nuno Clara and Francisco Gomes. *Journal of Financial Economics*, 159, September 2024.

*Abstract:* In the U.S., student debt is currently the second largest component of consumer debt. Households are required to repay these loans early in their lifecycle, when marginal utility is particularly high. We study alternative contracts that offer partial or full payment deferral until later in life. We calibrate an economy with the current contracts, and then solve for counterfactual equilibria. The alternative contracts yield large welfare gains, which are robust to assumptions about the behavior of the lenders and borrower preferences. The gains are similar to those that could come from the debt relief program currently being considered in the U.S., but without its adverse fiscal implications.

*Presentations:* \*USC Macro Finance Workshop (2022), Southwestern Finance Association Annual Meeting (2023), Midwest Finance Association Annual Meeting (2023), Canadian Economics Association Annual Meeting (2023), North American Summer Meeting of the Econometric Society (2023), University of Oregon Summer Finance Conference (2023), Michigan State University (2023), University of Toronto (2024), McMaster University, DeGroote School of Business (2024), \*NC State (2024), Georgia Tech–Atlanta Fed Household Finance Conference (2024), \*SFS Cavalcade (2024), FIRS (2024)

3. **The Persistence of Miscalibration** with Itzhak Ben-David, John R. Graham, Campbell R. Harvey, and John Payne. *Review of Financial Studies*, September 2025.

*Abstract:* We analyze a panel of over 28,400 S&P 500 return forecasts by CFOs to examine whether the extent of CFOs' miscalibration—providing forecast confidence intervals that are too narrow—decreases over time. We find no improvement with task repetition nor evidence of learning, that is, no improvement in response to past performance. Across CFOs, miscalibration appears to be a persistent personal trait. We find some evidence that the degree of miscalibration is related to birth cohort and stock market familiarity.

*Presentations:* \*BFI Conference on Developing and Using Business Expectations Data (2018), \*Miami Behavioral Finance Conference (2019), ITAM Finance Conference (2020)

4. **Windfall Income Shocks with Finite Planning Horizons** *Journal of Financial Economics*, 176, February 2026.

*Abstract:* I study how the cognitive demands of financial planning shape household decisionmaking with respect to consumption out of windfall income shocks. I build a quantitative model of bounded rationality in which reoptimization is costly. Households respond to windfall income shocks by choosing a finite planning horizon over which to reoptimize, and the optimal planning horizon is increasing in wealth and the magnitude of the income shock. Calibrated to U.S. data, the model's distribution of consumption responses is consistent with three key facts: even highly liquid households have large consumption responses out of income shocks, the fraction of households with positive consumption responses increases with shock size, and conditional on responding, larger shocks generate smaller consumption responses.

*Presentations:* VMACS Junior Conference (2020), Bank of Canada (2021), University of British Columbia (2021), University of Guelph (2021), NuCamp Virtual PhD Workshop (2021), European Winter Meeting of the Econometric Society (2021), Society for Nonlinear Dynamics & Econometrics Annual Meeting (2022), McMaster University (2022), International Conference on Applied Theory, Macro and Empirical Finance (2022), Theories and Methods in Macroeconomics (2022), Canadian Economic Association Annual Meeting (2022), \*Fuqua, Internal (2022), Canadian Macro Study Group (2022), Financial Consumer Agency of Canada (2023), North American Summer Meeting of the Econometric Society (2023), ITAM Finance Conference (2025)

## Working Papers

---

5. **Natural Disasters, Property Insurance, and Housing Markets** with Nuno Clara and Pierre Mabilie. March 2026.

*Abstract:* We study how local climate risk affects house prices and location choices through insurance and migration channels in spatial equilibrium. We develop a dynamic spatial housing model in which households choose location, tenure, and property insurance coverage in the presence of heterogeneous climate risk across regions. Insurance decisions and spatial mobility interact to determine equilibrium house prices and population distributions across regions. The model generates realistic patterns of insurance demand, including underinsurance and strong heterogeneity across wealth, age, and regional risk exposure. Counterfactual increases in local climate risk induce selective migration out of exposed regions, leading to lower house prices in equilibrium as higher insurance costs are capitalized into asset values. Our results underscore the importance of jointly modeling climate risk, property insurance, and spatial sorting when evaluating the housing market impacts of climate change.

*Presentations:* Fall Columbia-NYU-Yale Housing Day (2025), University of Toronto, Internal (2026), \*Fuqua, Internal (2026)

6. **Evaluating Credit Card Minimum Payment Restrictions** with Jason Allen and Benedict Guttman-Kenney. March 2026. *Bank of Canada Staff Working Paper 2024-26.*

*Abstract:* We study a policy that increased credit card minimum payments in Quebec but left them unchanged in the rest of Canada. We estimate the causal effect of restricting repayment choices by applying a synthetic difference-in-differences methodology to comprehensive Canadian consumer credit reporting data. We study the dynamics of the policy, quantifying short-run and long-run effects. The policy causes a persistent increase in minimum payments of 52 percent, and has trade-offs. The policy reduces revolving debt by 16 percent in the long-run, with the effect growing over time. However, we also document a 15 percent increase in borrowers transitioning into delinquency in the long-run. This increase does not appear to translate into higher default rates. Finally, the policy permanently reduces access to credit cards with fewer new cards opened and lower limits on existing cards.

*Presentations:* Bank of Canada, Internal (2022), CEAR-RSI Household Finance Workshop (2024), \*Eastern Finance Association Annual Meeting (2025), \*Boulder Summer Conference on Consumer Financial Decision Making (2025), AFA Annual Meeting (2026), Georgia Tech–Atlanta Fed Household Finance Conference (2026)

7. **The Macroeconomic Implications of Coholding** with Andrej Mijakovic. September 2025. *Bank of Canada Staff Working Paper 2024-16.*

*Abstract:* In the U.S., over 25% of households are coholders who simultaneously borrow on credit cards and hold cash. This generates rich marginal distributions of gross positions that underpin the distribution of net wealth often used to calibrate macroeconomic models. We show that, beyond constructing net wealth, gross positions of liquid assets and debt are important determinants of how households consume, save, and deleverage in response to income shocks. We build a model that generates aggregate distributions and household behavior in line with the data, and use it to study the implications of coholding for fiscal and monetary policy.

*Presentations:* Biennial Consumer Finance and Macroeconomics Conference (2023), Bank of Canada, Internal (2023), Bank of Canada & BIS Workshop on Granular Data (2023), European Economic Association Annual Meeting (2023), Australian National University (2023), OzMac Workshop (2023), University of Sydney (2023), Reserve Bank of Australia (2023), \*E1 Workshop in Quantitative Macroeconomics, QMUL (2024), Toronto Metropolitan University (2024), North American Summer Meeting of the Econometric Society (2024), \*Oslo Macro Conference (2024), Arne Ryde Workshop: Micro Data Meet Macro Models (2024), Lisbon Macro Workshop (2024), ICBFS (2024), CEPR Household Finance Conference (2024), University of Cyprus (2024), Federal Reserve Bank of St. Louis (2024), CEPR Household Finance Seminar Series (2024), ASSA Annual Meeting (2025), University of Toronto, Internal (2025), \*EIEF (2025), 2025 Vienna Global Macro Cafe (2025), University of Guelph (2025), Bank of Chile Workshop on “The Micro and Macro of Financial Intermediation” (2025)

8. **The Value of Mortgage Choice: Payment Structure and Contract Length** with Nuno Clara and Katya Kartashova. June 2025. *Bank of Canada Staff Working Paper 2026-2.*

*Abstract:* We study how households choose between three mortgage contracts with different payment structures: fixed-rate fixed-payment, variable-rate variable-payment, and a hybrid variable-rate fixed-payment mortgage where interest rate changes affect principal repayment rather than payment size. This hybrid contract, which is offered in only a few countries around the world, gives households additional flexibility to insure against payment risk while exposing them to the risk of larger future mortgage balances. We build and calibrate a model where these mortgage types are offered simultaneously and analyze for which households each contract is optimal. We show that restricting contract choice or mandating long terms (as in the U.S.) yields significant household welfare losses and has important aggregate implications for the transmission of monetary policy.

*Presentations:* Financial Consumer Agency of Canada (2024), \*Fuqua, Internal (2024), University of Toronto Financial Economics Conference, Co-Organizer (2024), Rotman, Internal (2024), ITAM Finance Conference (2025), FRB Chicago Workshop on Barriers to Homeownership, Land Use, and Urban Dynamics (2025), \*LBS Summer Finance Symposium (2025), \*Tilburg Finance Summit on Housing and Mortgages Choices (2025), European Financial Management Association Annual Meeting (2025), Armenian Economic Association Annual Meeting (2025), Annual Meeting of the Portuguese Economic Journal (2025), \*European Finance Association Annual Meeting (2025), \*Nova SBE (2025), \*Copenhagen Business School (2025), \*Kelley School of Business, Indiana (2025), Southern Finance Association Annual Meeting (2025), \*EUROFIDAI-ESSEC Paris December Finance Meeting (2025)

9. **Backfiring in Bad Times: When Rent Control Keeps Rent Too High** with Geneviève Vallée. April 2024.

*Abstract:* Rent control, intended to benefit renters by capping rent increases, may disincentivize landlords from lowering rents during temporary negative demand shocks because they are unable to quickly increase rent afterward. To test this prediction, I use a unique combination of exogenous variation in rent control policy in Toronto and a negative demand shock induced by the COVID-19 pandemic. In line with theory, rent per square foot decreased by 1.7% for rent controlled units and 4.7% for exempt units. Using a model of differentiated demand, I construct a counterfactual exercise and estimate that in the absence of rent control, rent would have decreased by 8.3% for rent-controlled units and 8.1% for exempt units.

*Presentations:* Southwestern Finance Association Annual Meeting (2023), Urban Economics Association Annual North American Meeting (2023), North American Summer Meeting of the Econometric Society (2024)

10. **Targeted vs. Timely Fiscal Stimulus Payments.** August 2024.

*Abstract:* This paper analyzes the tradeoff between targeted versus timely fiscal stimulus payments in a quantitative two-sector HANK model. In response to a negative sectoral shock, fiscal policy is specified as the total size of transfers, the degree of targeting towards households in the affected sector, and the length of periods until the policy can be implemented. The key trade-off in the model is that the degree of targeting is increasing in the delay until policy can be implemented. In the baseline calibration of symmetric equilibrium with one household wholly employed in each sector, the key result is that fully targeting the stimulus program to the household in the affected sector yields less total welfare than intermediate levels of targeting.

11. **Evaluating the Impact of Economic Impact Payments.** December 2020.

*Abstract:* As part of the CARES Act, the IRS distributed \$300 billion in Economic Impact Payments (EIPs) directly to US households. In the Census Bureau's Household Pulse Survey (HPS), almost 75% of households receiving an EIP reported mostly spending it. Conditioning on labor status, 63% of employed households reported mostly spending their EIPs, compared to 84% of unemployed households. Both types of households reported spending largely on consumption goods, but unemployed households tended to pay regular bills while employed households paid down debt or increased savings. The evidence suggests that in designing an untargeted stimulus program and trading off potential efficacy for timeliness, Economic Impact Payments were overall very effective in supporting consumer spending.

## Works in Progress

---

12. **Don't Lend So Close to Me: Payday Lending Spillover Effects on Formal Credit** with Sheisha Kulkarni, Nuno Paixão, Barry Scholnick.

\*Presentation by coauthor. †Scheduled.

## Discussions

---

1. **Fiscal Stimulus, Inter- and Intra-temporal Consumption Spending: Evidence from a 5 Billion Euro Experiment.** Gregor Pfeifer, Davud Rostam-Afschar, Tim Ruberg, and Lukas Treber. *Workshop on Household Responses to Direct Stimulus Payments and Other Shocks.* August 2022.
2. **Automation and Inequality in Wealth Management.** Michael Reher, Stanislav Sokolinski. *3rd CEAR-RSI Household Finance Workshop.* November 2022.
3. **Investor Memory and Biased Beliefs: Evidence from the Field.** Zhengyang Jiang, Hongqi Liu, Cameron Peng, and Hongjun Yan. *2023 European Winter Finance Conference.* January 2023.
4. **How and Why do Operating Firms Participate in Swap Market?** Ayla Kayhan and Michael Rand. *2023 Southern Finance Association Annual Meeting.* March 2023.
5. **Economic Policy Uncertainty and Institutional Portfolio Investment.** Andi Li. *2023 Southern Finance Association Annual Meeting.* March 2023.
6. **Income-Driven Repayment Plans for Student Loans.** Nadia Karamcheva, Jeffrey Perry, and Constantine Yannelis. *2023 Midwestern Finance Association Conference.* March 2023.
7. **Salient Attributes and Household Demand for Security Designs.** Petra Vokata. *2023 Northern Finance Association Annual Meeting.* September 2023.

8. **Risky College Savings, College Attendance, and Student Debt.** Alexey Vasilenko. *2023 Financial Management Association Annual Conference*. October 2023.
9. **Identifying Housing Preferences in Regulated Markets: Evidence From Waiting Lists.** Hans Koster, Jos van Ommeren, and Zhiling Wang. *2023 Urban Economics Association North American Meeting*. October 2023.
10. **Unemployment Insurance and Macro-Financial (In)stability.** Yavuz Arslan, Ahmet Degerli, Bulent Guler, Gazi Kabas, and Burhan Kuruscu. *2023 Canadian Macroeconomics Study Group*. November 2023.
11. **Skills, Education and Wealth Inequality: the Financial Investments Channel.** Elisa Castagno, Raffaele Corvino, and Francesco Ruggiero. *4th CEAR-RSI Household Finance Workshop*. November 2023.
12. **Stimulus through Insurance: the Marginal Propensity to Repay Debt.** Gizem Kosar, Davide Melcangi, Laura Pilossoph, and David Wiczer. *2024 Vienna Global Macro Workshop*. March 2024.
13. **Insurance versus Moral Hazard in Income-Contingent Student Loan Repayment.** Tim de Silva. *2024 SFS Cavalcade*. May 2024.
14. **Heterogeneity in MPC Beyond Liquidity Constraints: The Role of Permanent Earnings.** Jeanne Com-mault. *2nd Arne Ryde Workshop: Micro Data Meet Macro Models*. August 2024.
15. **Exploring Climate Risk, Risk Retention, and CMBS: Understanding their Interplay.** Yildirim Yildirim, and Bing Zhu. *2024 ICBFS*. September 2024.
16. **Student Loans and Labor Supply Incentives.** Gustavo Manso, Alejandro Rivera, Hui Wang, and Han Xia. *2024 Colorado Finance Summit*. December 2024.
17. **The Financial Consequences of Wanting to Own a Home.** Caitlin Gorback and Gregor Schubert. *Online Spatial & Urban Seminar (Panelist)*. March 2025.
18. **Student Loan Forgiveness.** Michael Dinerstein, Dmitri Koustas, Constantine Yannelis, and Samuel Earnest. *2025 BFI Education Finance Conference*. May 2025.
19. **Green Mortgages.** Joao F. Cocco, Bernardo Mendes, and S. Lakshmi Naaraayanan. *2025 FIRS*. May 2025.
20. **Rent Guarantee Insurance.** Boaz Abramson and Stijn Van Nieuwerburgh. *2025 Western Finance Association Conference*. June 2025.
21. **Mortgage Rates and Rents: Evidence from Local Mortgage Lock-In Effects.** Jorge De la Roca, Marco Giacoletti, and Lizhong Liu. *2025 Miami University Finance and Real Estate "Oktoberfest" Conference*. September 2025.
22. **From Stability to Risk: The Changing Impact of Natural Amenities on Mortgages.** Aslihan Gizem Korkmaz, Lingxiao Li, and Erdem Ucar. *2025 Southern Finance Association*. November 2025.
23. **Of House and Home-Related Goods: The Home Purchase Channel of Expenditure.** Giovanni Favara, James Graham, and Geng Li. *Inaugural Rocky Mountain Urban and Real Estate (RMURE) Conference*. June 2026 (Scheduled).
24. **The Design of Retirement Plan Match Schedules.** Guillermo Carranza, Taha Choukhmane, Fiona Greig, Cormac O'Dea, and Lawrence Schmidt. *2026 Western Finance Association Conference*. June 2026 (Scheduled).

## Professional Service

---

### Referee

American Economic Journal: Macroeconomics, American Economic Review, American Economic Review: Insights, Econometrica, Economic Inquiry, Economics Letters, The Economic Journal, Journal of Banking and Finance, Macroeconomic Dynamics, Quarterly Review of Economics and Finance, Regional Science and Urban Economics, Review of Financial Studies