Propositions

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1. The composition of countries' net foreign asset position affects the way the exchange rates react to international financial market turbulence. (Chapter 2)

2. Countries with substantial private net foreign debt have exchange rates that are much more sensitive to the global financial market sensitivity than countries with less net foreign debt. (Chapter 2)

3. Due to financial liberalization the US consumption-to-wealth ratio has increased to a permanently higher level over the past four decades. (Chapter 3)

4. Poverty can prevent individuals' access to international financial markets, and thereby reduce aggregate international consumption risk sharing. (Chapter 4)

5. Deposit dollarization makes the financial sector more shallow and thus reduces financial development in developing countries (Chapter 5)

6. Individuals tend to overweigh very unlikely and rare events, especially when these are considered in isolation. This can explain why some individuals overinsure.

7. Financial incentives increase labor force participation at older ages and postpone retirement.

8. Differences in the wages paid for comparable work have increased between countries over the past 60 years, whereas within countries the wage premia for skilled occupations have declined considerably.

9. Central Bank signaling matters – the calender-based forward guidance by the Federal Reserve has had a significant impact on US inflation expectations.

10. Firms with multiple bank relationships are generally less affected by the lender health and are better able to maintain access to finance during financial crises.

11. "To avoid situations in which you might make mistakes may be the biggest mistake of all" - Peter McWilliams