

PRINCETON UNIVERSITY

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Office Contact Information

Department of Economics, Princeton University
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Princeton, NJ 08544
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Undergraduate Studies

B.A., Economics with Highest Distinction, Tsinghua University, 2011

Graduate Studies

Princeton University, 2011 to present
Ph.D. Candidate in Economics
Thesis Title: "Essays in Macroeconomics and Finance"
Expected Completion Date: June 2017

M.A. Economics, Princeton University, 2013

References

Professor Richard Rogerson (co-chair)
Department of Economics
Princeton University
609-258-4839, rdr@princeton.edu

Professor Wei Xiong (co-chair)
Department of Economics
Princeton University
609-258-0282, wxiong@princeton.edu

Professor Benjamin Moll
Department of Economics
Princeton University
609-258-0329, moll@princeton.edu

Professor Motohiro Yogo
Department of Economics
Princeton University
609-258-4467, myogo@princeton.edu

Teaching and Research Fields

Primary Fields Macroeconomics, Household Finance, Real Estate Economics
Secondary Fields Asset Pricing, Chinese Economy

Teaching Experience

Guest Lecturer & Teaching Assistant (Princeton University)

Fall 2015 Chinese Financial Markets, Masters in Finance,
for Professor Wei Xiong and Professor Yaxin Duan

Teaching Assistant (Princeton University)

Spring 2015, 2016 American Economic History, Undergraduate, for Professor Elizabeth Bogan
Fall 2013, 2014 International Monetary Economics, Undergraduate, for Professor Mark Aguiar
Spring 2014 Introduction to Macroeconomics, Undergraduate, for Professor Alan Blinder
Fall 2013 Financial Modeling, Ph.D. in Economics, for Professor Markus Brunnermeier

Research Experience:

2014	Princeton University, Research Assistant to Professor Greg Kaplan
2013	Princeton University, Research Assistant to Professor Markus Brunnermeier

Professional Activities

Referee for *European Economic Review*.

Honors, Scholarships, and Fellowships

Princeton University	
2012 – 2016	Graduate Fellowship and Summer Fellowship
2015	Towbes Prize for Outstanding Teaching
2011 – 2012	J. Wallace Ely `32 Fund Fellowship
American Finance Association	
2015	AFA Student Travel Grant

Skills

Advanced	Fortran, MATLAB, Stata, ArcGIS
Basic	C++, Gauss, Mathematica, Python, R, SAS

Job Market Paper

“Liquidity Constraint, Transition Dynamics, and the Chinese Housing Return Premium”

Abstract: Home price movements received increasing academic and public attention in recent years.

In this paper, I explore the driving forces that underpins housing price movements, using the recent Chinese housing boom as a laboratory. In China, housing prices grew 170 percent during 2003-2012 in real terms, and returns on housing commanded a twelve percent premium annually over the risk-free rate during this period. Across Chinese cities, there is a strong comovement: the increase in the city-wide value of housing is closely associated with the increase in city-wide household wealth, whether measured with or without housing.

I argue that the high Chinese housing return premium results from an upward transition in household wealth from a low initial condition, interacted with liquidity constraints: Low initial household wealth, under liquidity constraints, limited housing prices to be low in 2003; but as household wealth quickly rose aided by high household savings, housing prices also quickly increased.

I assess the quantitative plausibility of this explanation using an otherwise standard consumption-housing two-asset dynamic portfolio choice model, augmented with realistic liquidity constraints and low initial wealth, with housing priced in industry equilibrium. This model matches the high housing return premium, and explains 92 percent of the observed increase in housing prices.

This model also generates other intriguing predictions, including an investment motive that raises the Chinese household saving rate transitionally, as well as that a permanent slowdown in Chinese economic growth might only lead to a transitory dip in Chinese housing prices. The analysis in this paper also provide insights to understand other episodes in emerging housing markets for which there are both liquidity constraints and a low initial household wealth.

Research Papers

“Heterogeneity in Consumption Responses to Long-lasting Income Shocks”

Abstract: Standard life-cycle incomplete-markets models predict large cross-sectional differences for age and wealth in agents’ consumption responses to long-lasting income shocks. Whether these predictions hold in the data is an open question.

Using household microdata for the US, I document economically important age and wealth cross-sectional heterogeneity in the adjustment of nondurable consumption in the face of long-lasting income shocks. In response to labor-income shocks that last at least three years, households with heads younger than 50 adjust consumption by twice as much as others. Households with less liquid wealth than median adjust consumption by twice as much as others. A calibrated standard life-cycle incomplete-markets model predicts heterogeneity in consumption responses that are quantitatively similar to empirical estimates.

Research Papers in Progress

“Transmission of Monetary Policy in High Frequency: Evidence from Loan-Level Data in China” (with Cheng Sun)