

Contact Information

Department of Economics
Chinese University of Hong Kong
913 Esther Lee Building
Shatin, Hong Kong

Professional employment

Assistant professor, Department of Economics, Chinese University of Hong Kong Aug. 2014 – present

Education

Ph.D. in Economics, University of Pennsylvania

Sep. 2009 – May. 2014

B.A. in Finance, Peking University

Aug. 2005 – Jul. 2009

Research Interests

Labor Economics, Economics of Education, Health Economics, Development Economics

Working Papers

1. **“The Impact of an Early Career Recession on Schooling and Lifetime Welfare”** (R&R at International Economic Review)

This paper evaluates the long-term welfare consequences from experiencing a recession as youths, taking into account the impact on schooling, future job mobility, human capital accumulation, labor supply and wages. The paper also explores the mechanisms that account for lifetime wage changes by decomposing those changes into different channels: changes from schooling, from work experience, and from job mobility. This paper develops and estimates a search equilibrium model with heterogeneous agents and aggregate shocks. The counterfactual analysis shows that experiencing the 1981-1982 recession at age 16-22 causes a 2.2% to 3.0% loss in lifetime welfare. Endogenizing schooling decision avoids overestimation of the welfare loss for two reasons: first, there exists the selection of labor market entry timing and high ability individuals are more likely to postpone entry into the labor market during a recession; second, the additional schooling caused by an early career recession increases future wages and employment rate. The wage decomposition shows that the loss from job mobility explains the majority of the wage loss during the recession, and the loss in experience and tenure persists long after the recession.

2. **“The Long-term Impact of an Early Career Recession on Health and Health-Related Behaviors”** (with Rong Hai)

Using data from the restricted-access National Longitudinal Survey of Youth 1997, we estimate the long-term impact of an early career recession on various health outcomes and health-related behaviors up to age 30 for males and females by education groups. Because the timing of labor market entry could potentially be affected by economic conditions, we instrument the unemployment rate when entering labor market using the state unemployment rates at age 18 and age 22. Our main findings are that first, an early career recession has an adverse impact on health outcomes and health-related behaviors in general, and second, these adverse effects are especially pronounced among lower educated

individuals. In particular, an early career recession increases the probability of bad health status for high school graduates, but has no effect on college graduates; it also leads to more depression for high school graduates than college graduates among males. We also find that a higher unemployment rate at early career significantly increases adverse health behaviors such as smoking, heavy drinking, and illicit drug use among high school graduates, but there is no statistically significant impact on college graduates.

3. **“State Sector and Labor Market Dynamics: Theory and Evidence from China”** (with Shuaizhang Feng)

We study the role of state sector employment on overall flexibility of labor market, using China as an example. Using unique matched monthly Urban Household Survey data that are representative of the Chinese urban households for the period of 2004-2006, we show that the Chinese urban labor market is characterized by very low dynamics and high long term unemployment. In particular, state-sector employments are much less dynamic compared to non-state sector. We extend the Mortensen and Pissarides equilibrium search and matching model to explain these patterns. The model incorporates two sectors, state and non-state, and considers three major differences between the two sectors: state sector has lower labor productivity, higher labor adjustment costs, and extra labor costs. The calibrated model is able to predict the simultaneous decline of state sector and increase in unemployment rate that has happened in the 1990s and early 2000s. Simulation also implies that further decline of state sector would improve labor market dynamics significantly but only have very small effect on the levels of unemployment. We also find that the extra labor cost of state-sector firms plays a major role in explaining differences in labor dynamics between state and non-state sectors.

4. **“A Matching Model of Intergenerational Co-residence and its Application in China”** (with Xiaoyu Xia and Junsen Zhang)

How do adult children and their parents decide to live together? While previous studies usually model co-residence as a non-cooperative or Nash bargaining game between one parent and one child, this paper models living arrangement as a two-sided matching game that captures not only the competition between multiple children, but also the competition between parents and in-laws. This is the first application of Shapley-Shubik-Becker framework in the co-residence context. Different from the marriage matching, family network plays an important role in the co-residence matching by restricting the possible co-residence arrangements. Using data from China Family Panel Study, we develop a novel way to simulate family network to fill in the missing marriage links in the data. We then estimate the model and use the empirical results to quantify the impact of tastes, housing costs, elderly care, and child care on family living arrangement. Our model and estimations also allow us to predict the effect of various policy changes on co-residence pattern and labor supply in China.

Work In Progress

1. **“What makes to a good entrepreneur? A model of intergenerational transfer and education choice.”** (with Charles Ka Yui Leung)

2. **“Human Capital Mobility, Regional Disparity, and Economic Growth in China”** (with Seung-Gyu Sim and Chamna Yoon)

3. **“The Impact of the China 2005-07 Compulsory Education Reform on Rural Children”** (with Zhao Rong and Shuangxin Wang)

Conference Presentations

- 2016 Hong Kong Economic Association Biennial Meeting - University of Hong Kong, University of Hong Kong, Lingnan University, University of Chicago, Jinan University, North American Summer Meeting of Econometric Society, Taipei International Conference on Growth, Trade and Dynamics, Southwestern University of Finance and Economics, Hong Kong University of Science and Technology
- 2015 Royal Economic Society Annual Meeting - University of Manchester, University of Tokyo, Shanghai Applied Micro Workshop, Shanghai University of Finance and Economics, Peking University, International Symposium On Contemporary Labor Economics - Xiamen University
- 2014 Hong Kong Economic Association Biennial Meeting - Shandong University, Peking University
- 2013 North American Summer Meetings of the Econometric Society - University of Southern California, Asian Meeting of the Econometric Society - National University of Singapore, Chinese University of Hong Kong, City University of Hong Kong, Cheung Kong Graduate School of Business

Teaching Experience

The Chinese University of Hong Kong

Graduate Computational Methods in Economics	Summer 2015, Spring 2016, 2017
Graduate Labour Economics	Spring 2015, 2016, 2017
Graduate Thesis Research	Spring 2016, 2017
Undergraduate Labour Economics	Fall 2014, 2015, 2016
Guided Study in Current Economic Problems	Fall 2014

University of Pennsylvania, teaching assistant

Economics of Family	Spring 2014
Markets with Frictions	Fall 2013
Statistics	Fall 2011 - Spring 2013
Labor Economics	Spring 2011
Econometrics	Fall 2010

Honors, Scholarships and Awards

- 2016-2018 Research Grant Council Early Career Scheme, Hong Kong Government
- 2014-2016 Faculty of Social Science Direct Grant, The Chinese University of Hong Kong
- 2013 PIER Research Student Travel Grant, University of Pennsylvania
- 2009-2014 University Fellowship, University of Pennsylvania
- 2004-2009 Tangzhongying Fellowship, Peking University

Computation Skills

C++, Fortran, Matlab, Stata, R

Administrative Committees

- 2014-2016 Member of Graduate Panel, Search Committee, Seminar Committee, and Library Committee, Department of Economics, the Chinese University of Hong Kong
- 2015-2016 Organizer of applied micro brown-bag, Department of Economics, the Chinese University of Hong Kong
- 2016 Organizer of CUHK workshop on family and labor economics, the Chinese University of Hong Kong

Referee Service

Journal of Political Economy, International Economic Review

Personal Affiliations

American Economic Association, Econometric Society