Jiayin Hu

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Placement Contacts

Placement Chair: Martin Uribe, mu2166@columbia.edu (212) 851-4008

Placement Assistant: Amy Devine, aed2152@columbia.edu (212) 854-6881

Education

Ph.D. Candidate, Department of Economics, Columbia University — 2019 (expected)

B.A., School of Economics and Management, Tsinghua University — 2014

Exchange Student, The Wharton School, University of Pennsylvania — Fall 2012

Fields of Specialization

Primary Field: Banking, Financial Economics

Secondary Field: Macroeconomics

References

Patrick Bolton (Sponsor)
Barbara and David Zalaznick
Professor of Business and
Professor of Economics
pb2208@columbia.edu
(212) 854-9245

José Scheinkman
Charles and Lynn Zhang
Professor of Economics
js3317@columbia.edu
(212) 854-3679

Harrison Hong
John R. Eckel Jr. Professor
of Financial Economics
hh2679@columbia.edu
(212) 851-9435

Honors and Awards

Dissertation Fellowship, Department of Economics, Columbia University — 2018-2019

Angell Fellowship, Department of Economics, Columbia University — 2016-2017

Dean's Fellowship, Department of Economics, Columbia University — 2014-2018

National Academic Scholarship (2x), Ministry of Education, China — 2011, 2013

First Class Freshmen Scholarship, Tsinghua University 2010-2014

First Place in College Entrance Examination (1/172681), Hunan Province, China 2010

JOB MARKET PAPER

Regulating Shadow Banks: Financial Innovation versus Systemic Risk

Abstract: Why do we have shadow banks and what is the optimal shadow bank regulation? I develop a bank run model featuring the tradeoff between financial innovation and systemic risk to investigate the role of shadow banking and the regulation. In my model, the traditional banking sector is regulated such that it can credibly provide safe assets, while a shadow banking sector creates space for beneficial investment opportunities created by financial innovation but also provides regulatory arbitrage opportunities for non-innovative banks. Systemic risk arises from the negative externalities of asset liquidation in the shadow banking sector, which may lead to a self-fulfilling recession and costly government bailouts. Heavy regulatory punishment on systemically important shadow banks controls existing systemic risk and has a deterrent effect on its accumulation ex ante. My paper is the first to formalize the designation authority of a macro-prudential regulator in systemic risk regulation.

WORKING PAPERS

To Float or Not to Float? A Model of Money Market Fund Reform.

Abstract: Money market funds compete with commercial banks by issuing demandable shares with stable redemption price, transforming risky assets into money-like claims outside the traditional banking sector. In a coordination game model *a la* Angeletos and Werning (2006), I show that the floating net asset value, which allows investors to redeem shares at market-based price rather than book value, may lead to more self-fulfilling runs. Compared to stable net asset value, which becomes informative only when the regime is abandoned, the floating net asset value acts as a public noisy signal, coordinating investors' behaviors and resulting in multiplicity. The destabilizing effect increases when investors' capacity of acquiring private information is constrained. The model implications are consistent with a surge in the conversion from prime to government institutional funds in 2016, when the floating net asset value requirement on the former is the centerpiece of the money market fund reform.

Optimal Deposit Insurance.

Abstract: Why aren't demand deposits fully insured as suggested in the Diamond and Dybvig model? I examine the optimal level of deposit insurance coverage limit in a model with both self-fulfilling and fundamental-driven bank runs. An increase in the insurance cap lowers the probability of self-fulfilling runs, but raises the payout cost when a bank run does occur (payout-cost channel) and subsidizes excessive risk-taking activities (moral-hazard channel). The model demonstrates a negative feedback loop where the high premium charged erodes banks' profits and makes them more vulnerable to runs, especially under narrow interest rate spread. The optimal deposit insurance features risk-based premium and time-varying coverage limit.

Referee

International Journal of Central Banking

Presentations

2018: Financial Economics Colloquium, Columbia Business School Finance Free Lunch

2017: Becker Friedman Institute Macro Financial Modeling Summer Session for Young Scholars (poster session)

Other Professional Activities

Member: American Economic Association, American Finance Association

President, Association of Graduate Economics Students, Columbia University, 2016-2017

Student Coordinator, Financial Economics Colloquium, Columbia University, 2017-

Research and Work Experience

Consultant, Department of Economic and Social Affairs, United Nations	Summer 2016
Intern, Department of Economic and Social Affairs, United Nations	Summer 2015
Intern, International Finance Division, Research Bureau, People's Bank of China	Summer 2014

Teaching Experience

Columbia University

Behavioral Finance (GU4860), TA for Professor Harrison Hong	Spring 2018
Financial Economics (UN3025), TA for Professor Sally Davidson	Spring 2016

Intermediate Macroeconomics (UN3213)

- Head TA for Professor Xavier Sala-i-Martin — Fall 2016, Fall 2017
- TA for Professor Irasema Alonso — Spring 2017

Principles of Economics (UN1105)

- Summer School Instructor — Summer 2017
- TA for Professor Sunil Gulati — Fall 2015

Certifying Examination in Macroeconomics (Ph.D.), Tutor — Summer 2017

Tsinghua University

Principles of Economics, TA for Professors Yingyi Qian and Xiaohan Zhong — 2013-2014

Critical Thinking and Moral Reasoning, TA for Professor Bin Yang — Fall 2013

SKILLS

Languages: English (fluent), Mandarin Chinese (native)

Programming: LaTeX, Matlab, R, Stata, Python, Julia

Last updated on November 30, 2018