

## YUE JIANG

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### EDUCATION

Ph.D., Economics, Boston University, Boston MA, May 2017 (expected)  
Dissertation Title: *Three Essays on Economics Uncertainties*  
Dissertation Committee: Christophe Chamley, Jianjun Miao, Dirk Hackbarth

M.A., Political Economy, Boston University, Boston, MA, 2013

B.Sc., Economics and Finance, (Minor in Math), *First-Class Honors*, Hong Kong University of Science and Technology, Hong Kong, 2011

Exchange Student, Economics, University of California, San Diego, CA, 2009-2010

### FIELDS OF INTEREST

Macroeconomics, Finance, Financial Economics, Banking

### TEACHING EXPERIENCE

Co-Head Teaching Fellow, Introductory Macroeconomics, Boston University, Fall 2014  
Teaching Fellow, Introductory Macroeconomics, Boston University, Fall 2016, Spring 2015, Fall 2015, Spring 2014  
Teaching Assistant, Macroeconomics, Graduate Level, Boston University, Fall 2013  
Teaching Assistant, Monetary and Banking Institutions, Boston University, Fall 2013  
Teaching Assistant, Intermediate Macroeconomics, Boston University, Spring 2013, Fall 2012

### FELLOWSHIPS AND AWARDS

Summer Research Grant, Department of Economics, Boston University, 2012 – 2015  
Travel Grant, Institute for Economic Development, Boston University, Summer 2016  
Teaching Fellowship, Department of Economics, Boston University, 2012 – 2015  
Dean's Fellowship, Graduate School of Arts and Sciences, Boston University, 2011 – 2013  
Dean's List, School of Business and Management, Hong Kong University of Science and Technology, 2008 – 2011

### WORK EXPERIENCE

Research Assistant, Christophe Chamley, Boston University, 2015  
Intern, Finance Department, ABN ARMO Bank, Beijing, China, Winter 2008

### PUBLICATIONS

“Solution Book of Economic Dynamics,” (with Jianjun Miao and Fan Zhuo), MIT Press, February 2014

**WORKING PAPERS**

- “ Fire Sales and Endogenous Volatility,” (Job Market Paper), 2016
- “ The Impact of Uncertainty Shocks on the Firm’s Customer Base,” January 2015

**WORK IN PROGRESS**

- “ Imperfect Credibility of the Central Bank,” December 2013
- “ An Empirical Analysis of the Risk-Taking Channel of Monetary Policy with Balance Sheet Composition”

**CONFERENCE AND WORKSHOPS**

- 17<sup>th</sup> Trento Summer School in “Macroeconomic Externalities and Coordination”,  
Institute of New Economic Thinking, Trento, Italy, July 2016 (Presentation)
- 7<sup>th</sup> Annual Financial Market Liquidity Conference, Budapest, Hungary, November 2016  
(Presentation)
- Green Line Macro Meeting, Boston College, MA, November 2016 (Presentation)
- RiskLab/BoF/ESRB Conference on Systemic Risk Analytics, European Systemic Risk Board,  
Helsinki, Finland, October 2016 (Invited)

**LANGUAGES**

English (proficient), Chinese (native)

**QUALIFICATIONS**

CFA Level I

**COMPUTER SKILLS**

STATA, SAS, MATLAB, Dynare, SQL, LaTeX, Microsoft Office

**CITIZENSHIP/VISA:** China/F1

**REFERENCES**

**Professor Christophe  
Chamley**

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**Professor Jianjun  
Miao**

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**Professor Dirk  
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Questrom School of  
Business  
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### **Fire Sales and Endogenous Volatility (Job Market Paper)**

After the collapse of the housing bubble in 2007, severe fire sales of assets in the financial sector are accompanied by a rise in the volatility of asset returns in the non-financial firms. To account for their co-movement, I develop a model that highlights the interaction between the financial health of the banking sector and the volatility of asset returns. The novel feature of the model is that the volatility of asset returns is endogenously generated by the banks' risk taking behavior. The risk taking by banks imposes a negative externality on the financial health of other banks because given the risk aversion of secondary market buyers, the liquidation of risky assets depresses the secondary market price of assets. A weak financial health hurts the bank's long-term profitability. Combining with the limited liability, the model can give rise to a vicious feedback loop between a collective risk taking behavior in the banking sector and fire sales of assets. A standard liquidity requirement is shown to have ambiguous effects in stabilizing the financial system depending on the asset market liquidity. The model suggests a room for counter-cyclical macro-prudential policy to improve financial stability.

### **The Impact of Uncertainty Shocks on the Firm's Customer Base**

I study the interaction between uncertainty shocks and product market frictions and propose a new transmission mechanism through which uncertainty shocks negatively affect the real economy. Empirical evidence indicates that fluctuations in idiosyncratic uncertainty have negative impacts on the firm's investment in customer capital. Based on this observation, I incorporate customer capital investment into the firm's problem. Similar to the investment in physical capital, the firm needs to spend resources to acquire new customers and to maintain its existing customer base. Product market friction arises because the firm's revenue is now jointly determined by its production and its customer base. When the firm receives a low TFP, its customers could be potentially better-off terminating the relationships with the firm and switch to their outside options. To maintain its customer base, the firm has to lower its price. The loss due to customer base maintenance is high especially when its productivity is low. Therefore uncertainty shocks would dampen the firm's profitability and discourage firm investments.

### **The Imperfect Credibility of Central Banks**

The paper studies the optimal monetary policy when central banks have imperfect credibility. Contrary to the binary "commitment vs. discretion" commitment setting, central bankers in this model are able to commit to the optimal plans they formulate, but only over some finite (random) horizons due to their temptation to renege on the plans. The horizon of a central bank regime is closely related to the probability households assign on whether the current central banker will commit to what he promised. In another word, the probability can be interpreted as a measure of central bank credibility. This paper assumes that the central bank credibility depends negatively on the past inflations. Therefore, in addition to the traditional inflation output tradeoff, the central bank would contemplate on the impact of inflation on its future credibility and the social welfare as well. The main finding is that a central bank would enhance its credibility directly through a more "conservative" inflation policy. Moreover, a high sensitivity of credibility to past inflations contributes to a deeper and longer recession in the presence of a cost-push shock.