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Work Experience

2015~ Assistant Professor, School of Economics, SUFE
2012~2015 Assistant Professor, Hanqing Advanced Institute, Renmin U of China

Education

2006~2012 U Wisconsin-Madison, Ph.D. in Economics
2002~2006 Southwestern U of Finance and Economics, B.A. in Economics

Teaching

Mathematical Economics (Graduate), 2013-14, 2014-15, RUC
Money and Banking (English, Undergraduate), 2014 summer, 2015 summer, RUC
Intermediate Macroeconomics (English, Undergraduate), 2015-16, 2016-17, 2017-18, SUFE
International Economics (English, TA, Undergraduate), 2007-2012, UW-Madison

Research Interest

Macro, Monetary, Labor (search theory), Housing, Education

Honors and Awards

Star Professor voted by students in Hanqing Advanced Institute, Renmin University of China, 2014
Best Paper Award for “Multi-market Simultaneous Search: More Can Be Less” in the 1st *China Meeting of Labor Economists*, 2016
First Prize (2/137) in the 2nd *Biannual Teaching Competition of Young Professors in SUFE*, 2017

Publication

“Housing and Liquidity”, with Randall Wright and Yu Zhu, *Review of Economic Dynamics*, 18 (2015)

Working Papers

“Multi-market Simultaneous Search: More Can Be Less” with Xiaodong Fan, 2017, submitted

We study search intensity at the extensive margin: workers can choose how many markets to simultaneously search in. It incurs a novel type of externality that induces strategic complementarity among workers. *Higher search intensity can hurt job creation because a match is more likely to be rejected. Multiple equilibria may arise and reducing search cost can induce an equilibrium with lower matching efficiency.* Hysteresis is also

possible. We calibrate the model to the U.S. economy before the Great Recession, and the calibrated model features multiple equilibria. The model responds differently to productivity and financial shocks: *transitory and large financial shocks alone can cause a permanent switch of equilibria as the unique dynamic outcome*, whereas productivity shocks, as observed in the data, cannot. Our model matches several salient features of the U.S. labor market after the 2008 financial crisis.

“Financial Frictions, Liquidity Traps, and the Implementation of Monetary Policy”, with Tiantian Dai, 2017

This paper studies monetary policy implementation with three different instruments: open market operations (OMO), standing facilities (SF), and lump-sum transfers (LST). We show that with financial frictions, which instrument and how we use it matters. To escape the liquidity trap, the central bank should inject more money if LST is available but reduce lending or purchase of bonds under OMO or SF. OMO and SF redistribute liquidity among borrowers and lenders and, if used aggressively, can lead the economy into the liquidity trap endogenously over time. Lending via SF is preferable to a similar OMO intervention. The relationship between the money growth rate and welfare is not simple and depends on the instrument and even the intervention size.

“Complicated Dynamics in Simple Monetary Models” with Randall Wright, 2017, submitted

We analyze stationary and nonstationary equilibria in second-generation (indivisible-asset) search-theoretic models of monetary exchange. Two specifications are considered: the usual one, based on bargaining; and a more novel one, with arguably better microfoundations, based on posting and directed search. In each case, we generalize assumptions in previous analyses and prove additional results. Especially for posting, new results are provided. Both models have equilibria where endogenous variables change over time as self-fulfilling prophecies, including sunspot equilibria where they fluctuate randomly. Perhaps surprisingly, we prove there are no equilibria where the variables cycle deterministically over time.

“A Monetary Theory of Entrepreneurship and Differential Effects of Monetary Policy”, 2017, submitted

This paper studies a pure currency economy where agents can choose two occupations: workers and entrepreneurs. Money is valuable even though borrowing is allowed because it solves an asynchronization problem of expenditure and revenue. We show that steady-state inflation always raises entrepreneurship. Moreover, inflation always reduces output if the business cost (BC) (i.e., the fixed cost of entrepreneurship) is low. However, it first raises and then reduces output if the BC is high, and the threshold of this nonmonotonicity is increasing in the BC. The theory implies that effects of monetary policy in the developed countries can be qualitatively different from those in the developing countries. The evidence is consistent with the positive effects of long-run inflation on entrepreneurship.

Work in Progress

“Discouraged Recovery” with Xiaodong Fan

“Spatial Sorting by Housing” with Ying Xiong and Xiaozhong Yang

“College Admission Policy and Unemployment” with T. Dai, X. Hu and X. Liu

“Business Liquidity and Consumer Liquidity” with Min Zhang

“Producing Soft Information within Banks” with Sanxi Li

“Urbanizing and Saving like China” with Rongsheng Tang

Presentations

2011: Midwest Macro Meetings; 2012: Midwest Macro Meetings (Winter), SUFE

2013: Renmin U, Econometric Society Australasia Meeting, Money and Banking Conference-Chicago Fed, University of New South Wales

2014: PKU, Money and Banking Conference-Chicago Fed, CUFU, Tsinghua

2015: CUEB, 2nd Workshop of Australasian Macroeconomics Society (WAMS), Antai, PKU

2016: Money and Banking Conference-Chicago Fed, Third WAMS, China Meeting of Labor Econ, PKU-NSD, PKU-HSBC, 2nd West Coast Search and Matching Conference, Xiamen U

2017: CCER Summer Institute, Money and Banking Conference-Bank of Canada, Tsinghua PBC School, Tsinghua SEM, Discussant at Mad Money Conference in Madison