



## 第五屆泛海經濟金融研討會

### The Fifth Fanhai Economics and Finance Workshop

**Date** : 2018年7月26日星期四  
Thursday, 26th July 2018

**Venue** : 復旦泛海國際金融學院黃浦外灘校區 11 層 1108 紐約廳  
上海市黃浦區中山南路 318 號東方國際金融廣場  
Room 1108, 318 S. Zhongshan Rd, Oriental Financial Plaza,  
Huangpu Dist., Shanghai 200010

#### Format

- ❖ **Keynote Speech:**  
60-min presentation (questions are welcome during the presentation)
- ❖ **Regular Papers:**  
20-min presentation + 10-min discussion + 15-min q&a
- ❖ **Round Table Discussion:**  
60-min dialogue (questions are welcome during the dialogue)

#### Confirmed Speakers/Session Chairs

1. Antras, Pol Harvard University
2. Cao, Xiaping (曹夏平) Sun Yat-sen University
3. Fang, Hanming (方漢明) University of Pennsylvania
4. Gao, Huasheng (高華聲) Fanhai International School of Finance, Fudan University
5. Guo, Xiangyu (郭翔宇) Fanhai International School of Finance, Fudan University
6. Jiao, Yang (焦陽) Fanhai International School of Finance, Fudan University
7. Lee, Jaeyoon Fanhai International School of Finance, Fudan University
8. Liu, Zhikuo (劉志闊) Shanghai University of Finance and Economics
9. Ma, Chang (馬暢) Fanhai International School of Finance, Fudan University
10. Qian, Jun (錢軍) Fanhai International School of Finance, Fudan University
11. Wang, Xiabin (王遐昕) Fanhai International School of Finance, Fudan University
12. Wang, Yuxi (王宇曦) Shanghai Jiao Tong University
13. Wei, Shang-Jin (魏尚進) Columbia University and Fanhai International School of Finance, Fudan University
14. Yang, Chloe Chunliu (楊春柳) Fanhai International School of Finance, Fudan University
15. Zhang, Gang (張罡) Cheung Kong Graduate School of Business



## Schedule\*

8:30 - 8:55 Registration and Reception

8:55 - 9:00 Welcome Speech by Jun Qian, Executive Dean of FISF

### • Session 1 Paper Presentation by FISF Session Chair: TBA

9:00 - 9:45 **“Credit Access and Household Well-being: Evidence from Payday Lending”**  
by Jaeyoon Lee, FISF

**Abstract:** How does gaining access to expensive credit affect the well-being of credit-constrained households? I use plausibly exogenous zip code-level variation in the temporal accessibility of payday loans to examine the causal effects of access to payday loans on household well-being. Using suicide attempts and deaths as a measure for household distress, I find detrimental effects from payday loans; that is, having access to payday loans substantially increases suicide risk. The analyses show that there is no existing trend during the pre-payday periods; however, a sharp increase in attempted suicides emerges only after gaining access to payday loans. Further analyses show that the effects are significant only among people who are effectively eligible for payday loans especially in zip codes with a high share of finance-constrained households. Finally, increased suicide risk in zip codes with access to payday loans appears to be related to mental health deterioration from financial distress.

**Discussant:** Xiaping Cao, Sun Yat-sen University

9:45 - 10:30 **“Sharpening Mutual Fund Alpha”**  
by Chloe Chunliu Yang, FISF

**Abstract:** I study whether mutual fund managers intentionally adopt negatively skewed strategies to generate superior performance. Using the fund flow and return data of U.S. actively managed equity funds from 1999 to 2014, I identify a negative correlation between alpha and the third moment (skewness) of the fund return distribution. The average difference of the Carhart four-factor alpha between funds in the lowest and highest skewness decile portfolio is 5.28% per year. Then, I examine whether fund investors pay attention to return skewness when choosing among actively managed mutual funds. My empirical evidence suggests that fund investors are not sophisticated enough to detect the trade-off between alpha and skewness; many simply invest in mutual funds with superior performance without taking into account the potential downside risk. Consequently, the managerial incentive problem has been raised. Without having to improve their forecasting skills, mutual fund managers can still generate flow-attracting strategies by loading on more downside risk. Specifically, as their compensation is determined by relative performance, fund managers that deliver inferior performance in the first half-year are more likely to increase downside risk in the second half-year than interim winners. This tendency is more prominent among small and growth funds.

**Discussant:** Yuxi Wang, Shanghai Jiao Tong University



10:30 - 11:00

Tea Break

• **Session 2 Keynote Speech**

11:00 - 12:00 **“Global Value Chain: Spiders and Snakes”**

by Pol Antras, Harvard University

12:00 - 13:00

Buffet Lunch at FISF Bund Campus

• **Session 3 Round Table Discussion on “Converting a Good Idea to a Successful Publication”**  
Chair: Shang-Jin Wei

13:00 - 14:00 **Panelist:**

**Pol Antras, Hanming Fang**

**Q&A**

14:00 - 14:30

Tea Break

• **Session 4 Paper Presentation by FISF**  
Session Chair: TBA

14:30 - 15:15 **“Financial Stability, Growth and Macroprudential Policy”**

by Chang Ma, FISF

**Abstract:** Many emerging market economies have used macroprudential policy to mitigate the risk of financial crises and the resulting output losses. However, macroprudential policy may reduce economic growth in good times. This paper introduces endogenous growth into a small open economy model with occasionally binding collateral constraints in order to study the impact of macroprudential policy on financial stability and growth. In a calibrated version of the model, I find that optimal macroprudential policy reduces the probability of crisis by two thirds at the cost of lowering average growth by a small amount (0.01 percentage point). Moreover, macroprudential policy can generate welfare gains equivalent to a 0.06 percent permanent increase in annual consumption.

**Discussant:** Gang Zhang, Cheung Kong Graduate School of Business

15:15 - 16:00 **“Understanding the Elasticity of Taxable Income: A Tale of Two Approaches”**

by Xiaxin Wang, FISF

**Abstract:** This paper develops a framework to conduct the first formal comparison of two main approaches (the traditional tax reform approach and the recently developed bunching approach) to estimate the elasticity of taxable income (ETI), a central parameter in the public finance literature since Feldstein (1999). Using a novel panel of administrative personal income tax data from China and exploiting China’s progressive monthly wage income tax schedule and a tax reform in 2011, we document two key differences between the ETI estimates using two approaches. First, the tax reform ETI estimates increase concavely over time, while the bunching ETI estimates are much more stable. Second, the tax reform ETI estimates (around 4 in the long-run) are much larger than the bunching ETI (around 0.5), and the difference is statistically significant. These stylized facts imply that



very different behavioral responses are captured by the two approaches. To account for the stylized facts, we develop a simple model where individuals in each period have some probability to permanently change hours of work without paying other costs but can temporarily adjust hours by paying additional costs. With stable wage rates, the two estimators should converge to the same underlying value. But with normal wage growth, the tax reform estimates converge to the true underlying parameter, whereas the bunching estimates can be far below the true figure. The findings imply that although the bunching approach has advantages in identification and application, the tax reform ETI estimates are generally more relevant for policy making due to the behavioral responses they are able to capture.

*Discussant: Zhikuo Liu, Shanghai University of Finance and Economics*

16:00 - 16:30

Tea Break

• **Session 5 Keynote Speech**

16:30 - 17:30 **“Insight from the Recent Insurance Research: Market Imperfections and Interactions with Labor Markets”**

*by Hanming Fang, University of Pennsylvania*

\* NOTE: This is preliminary schedule and subject to updates.

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