

Yang You

Last Updated: September 2021

Personal Information

Date of Birth: March 15th, 1993

Citizenship: China

Contact Information: Phone: +1(617)735-5935

Email: yangyou@hku.hk/ yoyou0315@gmail.com

Work Experience

- **The University of Hong Kong** Assistant Professor in Finance (2021.07-)
- **Tower Research Capital** Quantitative Trader (2020.10-2021.06)
Develop event-driven daily-frequency trading strategies with Ravenpack, Alexandria, IBES, and 8K corporate filings.
- **Facebook Calibra (Novi)** Research Analyst (2020.03-2020.07)
Understands remittance costs and retail consumer liquidity in cross-boarder currency markets.
- **World Bank Doing Business Group** Part-time Consultant (2019.08-2019.11)
Analyzes the procurement survey data collected by Doing Business Group at World Bank and construct measures of government procurement process quality.
- **Harvard University** Teaching Assistant (4 semesters)
Twice for Capital Markets (Econ 1723) with Prof. Xavier Gabaix
Twice for Economics of Discontinuous Change with Prof. Richard Freeman

Education Background

- | | | |
|---------------------|---|--------------------|
| Aug. 2016- May.2021 | Harvard University, Ph.D. in Economics | Massachusetts, USA |
| Sep. 2010 | China Mathematics Olympiad, Gold Medal | Beijing, China |
| Sep. 2011-July.2016 | Tsinghua University (3 Years: 2011-2013,2015-2016)
Major: Economics and Finance
Double Major: Pure and Applied Mathematics | Beijing, China |
| Aug. 2013-Dec. 2013 | Visiting Student at University of California, Berkeley (Berkeley Economics Semester Abroad Program) | California, USA |
| Jan. 2014-May 2014 | Visiting Undergraduate Student at Harvard College | Massachusetts, USA |

Publication

- **Bubble for Fama (w. Andrei Shleifer, Robin Greenwood) *Journal of Financial Economics* 2019**
Evaluates of Fama's claim on stock market bubbles, show industry bubbles are predictable although timing bubble is hard and identify bubble crash predictors.
Award: Fama-DFA Best Paper
- **Converging to Convergence [*NBER Macro Annual 2021*] (w. Michael Kremer and Jack Willis)**
Revisits the absolute convergence, with 20 years of additional data, and find a fairly steady trend towards convergence since the 1960s, with convergence since the early 2000s. While the literature on institutions has focused on their historical persistence, we also show that both policies and institutions have also converged substantially.

Job Market Paper

- **Distrust and Cryptocurrencies (with Bo Tang) [Submitted]**
Bitcoin trading is more active in countries where people express more distrust in others. This paper argues that distrust is fundamental to cryptocurrency valuation. We proxy Bitcoin demand with transitory price differences—Bitcoin price in a local currency, converted into dollars, relative to the average worldwide dollar Bitcoin price—and examine its determinant factors. We integrate trust into a simple portfolio choice model and make testable predictions for these price differences. Consistent with predictions, price deviations rise when 1) perceptions of institutional failures grow, 2) crypto-trading frictions increase, and 3) cryptocurrency prices rally. These price responses are more extensive in low-trust countries.

Working Papers

Finance, Culture, and Alternative Data

- **Redeemable Platform Currencies [*R&R Review of Economic Studies*] (w. Kenneth Rogoff)**
Builds theoretical framework for redeemable token issued by online retail platforms (e.g. Amazon, Alibaba), analyzes the optimal issuance policy, agent heterogeneity, and its implications in monetary economics.
NBER Working Paper link: <https://www.nber.org/papers/w26464>
- **Main Street's Pain, Wall Street's Gain**
In a persistent zero-lower-bound, low-interest-rate economy, when the main street suffers more than expected (e.g., initial jobless claims (IJC) are worse than expected), investors may expect a more generous federal government support through fiscal policy, driving up the expected future cash flow growth and the aggregate stock returns. In the cross-section, firms/industries that suffer more -- both employment and finance -- show higher individual stock returns than those that suffer less, when bad IJC surprises arrive. Our "High-Suffering minus Low-Suffering" portfolio has countercyclical returns, earning as high as 18 basis points on bad IJC days.

- **Invest with Firm Culture [in progress]**

Constructs corporate culture measures and employee's expectation based on Glassdoor reviews and Linkup job description data and develops a production-side general-equilibrium model to explain the predictability in firm growth and alpha in stock returns (after adjusting FF 5 factors).

- **Low-quality Issuance [preliminary draft available] (w. Shushu Liang)**

Documents average profitability of equity issuers declines since 2000 while the market valuations increase and IPO returns drop significantly. This paper argues investors only remember superstars and negative-profit becomes a salient feature of superstars, particularly for the high-tech firms.

Finance and Technology

- **Fintech and Remittance [slides available]**

Documents the decline transaction cost in remittance service charged by banks and Western Unions. The rising fintech firms feature digital transfer, increase competition among remittance service providers, and drive down the remittance transaction costs.

Institution and Economic Development

- **Persistence through Revolutions [Submitted] (w. Alberto Alesina, Marlon Seror, David Yang, Weihong Zeng)**

Documents the macro inequality reversal and micro inequality persistence in China across from 1949 to 2000. This paper examines the interaction between cultural transmission and social mobility in the contexts of China's Communist Revolutions.

NBER Working Paper link: <https://www.nber.org/papers/w27053>

- **Millionaire or Tiger Parents [Slides available] (w. Chao Fu and Tianwang Liu)**

Documents the housing price rally by more than 15% in elite primary school districts after the Chinese Education Ministry banned selective enrollment and enforced neighborhood schooling in 2014. We launch a new survey on home purchase decision and schooling, propose a school choice model, and estimate the counterfactual of elite school student enrollment under the new regime.

- **Language and Ideology [Draft Available]**

Argues language as an important source of economic friction and uses language unification movement (Mandarin Pinyin Act) in 1950s China to identify the economic benefits and ideological convergence by speaking the unified language.

Referee

Quarterly Journal of Economics (3), Journal of Economic and Organizational Behavior, Journal of Development Economics, Journal of Urban Affairs, Oxford Bulletin of Economics and Statistics (2), Journal of the European Economic Association (2), Management Science, Financial Management

Entrepreneurship

- **BridgeAlpha Technology**

Founder (2018.07-2019.11)

The company works on human resource technologies. Easypas builds video / live online hiring platform and the bilateral "job candidate - HR" network. Niusousou builds the online talent search and reference system with rewards. Startups are sold to 51jobs (Nasdaq Listed).

Award: Harvard President Innovation Challenge Finalist, Harvard China Forum Pitch Competition Finalist. Harvard Innovation Lab / Tsinghua X-Lab Incubate Company

- **Youcan Education Consulting**

Founder (2011.08-2014.06)

The company provides math and physics training programs to high schools, particularly in the second-tier cities in China. The startup was acquired by Chinese TAL Education Group (NYSE listed).

Non-profit Organizations

- **China Gazetteer Project (w. Richard Freeman)**

Organizer (2015.09-Present)

This project focuses on data digitization of Chinese county-level and city-level gazetteers and creating a socio-economic database for the entire PRC period (1949 to date) and documents the important economic reforms.

Funding Sources: Institute for New Economic Thinking (INET), Harvard Economics Department, Yan Cheung Gift, Harvard Ng Fund of the Center of Mathematical Science and Applications.

More information available: www.chinagazetteer.com

- **Policy and Institutional Research Project**

Co-Organizer

This project targets at establishing a global knowledge base and international collaboration networks on documenting the policy changes and institutional reforms and explores the implication of economic growth and development. Within a year, we have established local teams in eight countries.

More information available: www.hpirp.com

Presentations

2013 China Meeting of Econometric Society

2015 Harvard China Economy Seminar

2016-2018 Economic History Lunch (2), Development Lunch, Labor/Public Lunch, Econometric Society Asian Meeting

2019 HBS Finance Lunch (2), Econometric Society Asian Meeting, Macro Seminar at University of Wisconsin Madison, Harvard Monetary and Fiscal Seminar, Harvard Economic Development Seminar

2020 NBER Summer Institute (Monetary Economics), HBS Finance Lunch, Harvard Political Economy workshop, Harvard Development Economic Tea

2021 NBER Macro Annual, Job talks at HKU, CUHK, Tsinghua University, Peking University

Academic Interests

Digital Currency (Fintech), Financial Economics, Asset Pricing, Development Economics (Culture and Institutions), Chinese Economy

Language & Computer Skills

- Fluent in English, Mandarin Native
- Proficiency in Python, Stata, and Matlab