

Tong Zhang

Email: tong.zhang@econ.uzh.ch
Website: <https://sites.google.com/view/zhangtheeconomist>
Phone: +41764929989

Placement Director: Ralph Ossa	ralph.ossa@econ.uzh.ch	+41 44 634 61 23
Assistant Director: Karin Wyss	karin.wyss@econ.uzh.ch	+41 44 634 37 34

EDUCATION

PhD in Economics, University of Zurich	Aug 2013-Jul 2019 (Expected)
Visiting PhD student, Yale University	Jan 2018-Jun 2018
Master in Economics, <i>summa cum laude</i> , University of Zurich	Sep 2015
Master Study in Economics, Stockholm University	Sep 2011-Jul 2013
Bachelor in Economics, Peking University	Jul 2010

REFERENCE

Prof. Fabrizio Zilibotti
Yale University
28 Hillhouse Avenue
New Haven, CT 06511, United States
+1 203 432 9561
fabrizio.zilibotti@yale.edu

Prof. Florian Scheuer
University of Zurich
Schönberggasse 1
8001 Zürich, Switzerland
+41 44 634 55 46
florian.scheuer@econ.uzh.ch

Prof. Felix Kübler
University of Zurich
Plattenstrasse 32,
8032 Zürich, Switzerland
+41 44 634 41 06
fkubler@gmail.com

Prof. John Geanakoplos
Yale University
30 Hillhouse Avenue
New Haven, CT 06511, United States
+1 203 432 3397
john.geanakoplos@yale.edu

RESEARCH FIELDS

Primary: Macroeconomics, Financial Economics
Secondary: Business Cycles, Security Design

WORKING PAPERS

Haircut Cycles (job market paper)

Abstract: This paper contributes to the literature on the effect of financial frictions on business cycle activity. We follow the “leverage cycles” approach in the spirit of Geanakoplos (2010) which argues that equilibrium fluctuations in collateral rates (equivalently haircuts, margins, or leverage), rather than just in interest rates, are a key driver of persistent fluctuations in economic activity. In particular, we focus on how adverse economic shocks can be amplified and prolonged by endogenous variations in haircuts in the standard macroeconomics framework à la Kiyotaki and Moore (1997). In our model, collateral constraints are motivated by no-recourse loans, and the interest rate and the haircut are jointly determined as general equilibrium objects. We highlight the difference between the risk and the illiquidity of the collateral in determining the credit market equilibrium: an increase in risk increases both the interest rate and the haircut, while an increase in illiquidity increases the haircut but

decreases the interest rate. Compared with the previous literature, our model allows us to decompose the transmission of adverse shocks through the credit market into the interest rate channel and the haircut channel, and evaluate their relative importance. The numerical exercises illustrate that risk shocks can generate sizable business cycle fluctuations through the credit market, and the haircut channel is dominant in times of low market liquidity.

WORK IN PROGRESS

Securitization or the Unexpected Vice of Ignorance

Abstract: Securitization has inherent instability by design: it creates profit by allowing the issuer to attract investors who have no precise knowledge about the investment, but increases bank run risk as attracting these investors undermines the risk-bearing capacity of the issuer. In this paper, securitization is a financial innovation that enables tranching of the underlying asset to cater to the differential needs of investors. The bank run risk is measured as the regime switch cutoff of a global game played by the issuer, the sophisticated investors, and the unsophisticated (ignorant) investors, between whom the difference is the precision of their knowledge of the underlying asset. I show that the bank run risk is higher the more imprecise the knowledge of the investors is. Therefore, this paper argues for the “vice” of ignorance and against the use of over-complicated financial instruments.

CONFERENCE AND SEMINAR PRESENTATIONS

SFI Research Days	Jun 2017
Yale Macro Lunch	Oct 2017
Econometric Society European Winter Meeting (scheduled)	Dec 2018

RESEARCH EXPERIENCE

Research assistant for Prof. Fabrizio Zilibotti, University of Zurich	Sep 2014 - Jul 2016
---	---------------------

TEACHING EXPERIENCE

Teaching Assistant, Introductory Math Courses (PhD), University of Zurich	Fall 2014-2016
Teaching Assistant, Time Series Analysis (Master), University of Zurich	Fall 2014-2015
Teaching Assistant, Macroeconomics II (PhD), University of Zurich	Spring 2015-2017

SUMMER SCHOOLS

Advanced Doctoral Courses, Study Center Gerzensee	Aug & Oct 2014, Aug 2016
Princeton Initiative, Princeton University	Sep 2016
NBER Summer Institute (participant), NBER	Jul 2017

GRANTS AND AWARDS

PhD student travel grant, Econ conference grant, University of Zurich	2014,2015,2016
Department doctorate scholarship, University of Zurich	2013-2019

COMPUTING SKILLS

Matlab, Python, Mathematica, R

LANGUAGE

English, Chinese