

Jiawei Hu

CONTACT INFORMATION

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EDUCATION

The University of Texas at Dallas
PhD candidate in Management Science, Finance

Richardson, TX, USA
2020-present

Northeastern University
Master of Science, Finance

Boston, MA, USA
2018-2019

Central University of Finance and Economics
Joint program with **Victoria University**
Bachelor of Economics, International Trade and Economics
Bachelor of Business, Financial Risk Management

Beijing, China
Melbourne, Australia
2014-2018
2014-2018

RESEARCH INTERESTS

Behavioral Finance, Household Finance, Asset Pricing

WORKING PAPERS

Local Gambling Preference and Mortgage Misrepresentation

(Job market paper)

Abstract: This paper examines the role of behavioral traits in borrowers' decisions during mortgage applications. Analyzing a large sample of mortgages originated between 2005 and 2007, we investigate the impact of local gambling preferences on second-lien misrepresentation and its subsequent effect on loan performance using OLS, probit, and causal forest approaches. Our findings indicate that second-lien misrepresentation is more prevalent in areas with higher local gambling preferences. Furthermore, loans with second-lien misrepresentation in high gambling preference areas exhibit poorer performance compared to those in low gambling preference areas. Utilizing RDD and difference-in-discontinuities approaches, we compare the number of loans and default rates around a FICO score of 620 between high and low gambling preference areas. Our results suggest that the influence of gambling preferences on misrepresentation is more likely attributable to borrower behavior rather than lender practices.

Cumulative Prospect Theory and Stock Returns

(With Jun Li, Feng Zhao)

Abstract: We strengthen the explanatory power of the cumulative prospect theory for cross-sectional stock returns by allowing time-varying probability weights. The shape of the option-implied empirical pricing kernel predicts the time-varying probability weights. Quantitatively, neglecting time variations in probability weights could cost investors up to 28% in annual returns. The additional explanatory power from time-varying probability weights goes beyond existing return predictors and time-varying stock characteristics. We propose a conditional trading strategy with drastically improved performance.

When Gender Disparities Meet Financial Technology in Financial Advisory

(With Xiaolin Wang, Feng Zhao, Zhiqiang (Eric) Zheng)

Abstract: Can financial technology level the playing field for female financial advisors? In the setting of copy trading on a social trading platform, we find that female lead traders attract more investors than male lead traders, controlling for performance, risk, trader characteristics, and country and time fixed effects. This finding is more pronounced among traders engaging in high-risk trading, or in countries with more women participating in the labor force. In the dynamic relation of investor flow responding to traders' performance, we find a more

convex relation between performance and flow for female lead traders in that female traders attract more investors with good performance and lose fewer investors with poor performance than male traders. Additionally, facial attractiveness helps male lead traders but hurts female lead traders in attracting investors. Our findings indicate that investors on the social trading platform are wary of overconfidence from men and prefer confident women as lead traders.

Expected Utility Theory and Prospect Theory in Skewness Preference

(With Feng Zhao)

Abstract: Based on Barberis et al. (2021) prospect theory asset pricing model, we build a model that incorporates both expected utility theory term and prospect theory term to study skewness preference. The model is used to explain coskewness premium and idiosyncratic skewness premium. As expected, prospect theory term is mainly responsible for idiosyncratic skewness premium. However, we find that although both terms play a role in explaining coskewness premium, the two terms have competing effects.

PROFESSIONAL SERVICE

Presentation:

Local Gambling Preference and Mortgage Misrepresentation: FMARC 2025 (doctoral), Boulder Summer Conference 2025 (poster), FMA European 2025 (doctoral; regular), IAFDS 2025 (doctoral), EFMA 2025, FMA Annual 2025 (doctoral upcoming), SFA 2025 (upcoming)
Cumulative Prospect Theory and Stock Returns: FMA European 2023

Discussant:

FMARC 2025 (doctoral), FMA European 2025, IAFDS 2025 (doctoral), EFMA 2025, SFA 2025 (upcoming), FMA European 2023

Session Chair:

FMA Annual 2024

HONORS & AWARDS

GARP Risk Management Award Nomination	EFMA, 2025
The Best Research Proposal at the Responsible Use of Generative AI in Research Ideation Workshop	IAFDS, 2025
The Maria Strydom Best Presenter	IAFDS, 2025
Betty and Gifford Johnson Travel Awards	UTD, 2025
UT Dallas Graduate Studies Scholarship	UTD, 2020-2025

TEACHING EXPERIENCE

Instructor

• Business Finance (FIN 3320)	Summer 2025
• Personal Finance (FIN 3300)	Fall 2023, Fall 2024

Teaching Assistant

• Financial Modeling for Investment Analysis (FIN 6353)	Spring 2025
• Options and Futures Markets (FIN 4340)	Spring 2025
• Personal Finance (FIN 3300)	Summer 2024
• Intermediate Financial Management (FIN 4310)	Spring 2024
• Business in a Global World (BA1320)	Spring 2023, Summer 2023
• Derivatives Markets (FIN 6360)	Spring 2023, Spring 2024, Spring 2025
• Applied Econometrics and Time Series Analysis (MECO 6312)	Fall 2022

SKILLS

Computer skills: Stata, SAS, Matlab, R, Python, Mathematica, LaTeX
Languages: English, Mandarin

REFERENCES

Feng Zhao (Dissertation Chair)

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