KA-LEUNG LAM

Princeton Economics

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EDUCATION

Princeton University

> PhD Candidate in Economics, 2018–2024 (expected)

Hong Kong University of Science and Technology (HKUST)

> MPhil in Economics, 2016–2018

The University of Hong Kong (HKU)

> BEcon&Fin (First Class Honours), Minor in Mathematics, 2012–2016

University of California, San Diego (UCSD)

> Exchange student, 2014

RESEARCH INTERESTS

Primary: Finance

Secondary: Macroeconomics, Labour Economics

JOB MARKET PAPER

- **Banks' Geographic Expansion: New Location, Same Old Neighbours**

Abstract. This paper examines the role of information asymmetries in shaping the pattern of banks' geographic expansion. Theory suggests that, despite the removal of legal entry barriers, banks are still facing the problem of adverse selection in the new markets, which deters entry in the first place. The presence of familiar firms in the deregulated markets could thus mitigate the problem of asymmetric information and lowers the informational barriers to entry. In this paper, I test this hypothesis using the natural experiment from US interstate banking deregulation. Combining comprehensive data on locations of bank branches and firm establishments, I find that banks are indeed more likely to enter a "new location" where more firms are "old neighbours"—firms that were already operating in the bank's original neighbourhoods. To verify that banks do have informational advantage over neighbouring firms, I construct a novel dataset merging corporate loans data with data on firm establishment locations and bank branch locations, and I show that being neighbours is strongly associated with lending relationship. Furthermore, credit provision in the deregulated regions concentrates in locations where banks are likely to enter thanks to informational advantages, and the concentration only increases over time. Finally, I show that informational barriers of entry generate differential real effects of deregulation across regions and firms. In particular, small businesses may be adversely affected in the short run.

WORK IN PROGRESS

1. **The Financial Transmission of Trade Shocks: Household Credit Channel**

   Abstract. How can trade shocks affect non-tradable sectors? Banks may play a role. US banks located in areas with high concentration of manufacturing sector are exposed to import competition from China. They experience difficulty in raising deposits, which in turn constrains lendings to households. Contracted household demand thus affects employment in the non-tradable sectors.

2. **Capital Injection: Live Long and Wither**

   Abstract. Does government bailout save banks in crisis? US banks who received capital injections from the Treasury's Capital Purchase Program had lower failure rate than non-recipients in the short run, but quickly caught up after the peak of the crisis. Recipients also had a substantially higher chance of being acquired, possibly due to political pressures and management inefficiency, resulting in a higher exit rate overall.

DATA COLLECTIONS

1. **The Early County Business Pattern Files: 1946–1974**

   (with Fabian Eckert, Atif R. Mian, Karsten Müller, Rafael Schwalb, and Amir Sufi)

   NBER Working Paper No. 30578, October 2022.

   Abstract. The County Business Pattern (CBP) files contain employment and establishment counts for detailed industry codes covering all counties in the United States. The contribution of this project is to digitize, clean, and prepare the CBP files during 1946–1974.

2. **County Business Patterns 1946–2016: A User Manual**

   (with Fabian Eckert, Atif R. Mian, Karsten Müller, Rafael Schwalb, and Amir Sufi)

   Abstract. This user manual provides a detailed description of a database containing all CBP datasets published during the first 70 years since its inception. We digitized historical data from print, standardized all data format, and imputed undisclosed employment counts. It also documents changes in the data structure, industry classifications and county boundaries.

3. **Historical Data on Syndicated Loans 1973–1990**

   (with Atif R. Mian, Karsten Müller and Amir Sufi)

   Abstract. We tabulate historical data on syndicated loans published on World Bank "Borrowing in International Capital Markets" and Euromoney magazines. These new data significantly expand the currently available syndicated loan data, and are particularly relevant for research on international banking activities.

ACADEMIC EXPERIENCES

Research Assistant, Princeton University
>   for Natalie Cox and Arlene Wong, 2020–2021
>   for Atif Mian and Karsten Müller, 2019–2020

Assistant Instructor, Princeton University
>   ECO362 Financial Investments (UG, Motohiro Yogo)
>   ECO363 Corporate Finance and Financial Institutions (UG, David Schoenherr)
>   FIN502 Corporate Finance and Financial Accounting (MFin, Ernest Liu)

HONOURS AND AWARDS

Princeton Graduate Fellowship, 2018–

HKUST Postgraduate Studentship, 2016–2018

Dean's Honour List, HKU, 2012–2016

C.V. Starr Scholarship, HKU, 2014

SKILLS

Programming: R, Matlab, LaTeX, ArcGIS

Languages: English, Mandarin Chinese, Cantonese

REFERENCES

Atif R. Mian (main advisor)	**Wei Xiong**	**Motohiro Yogo**
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