

CONTACT
INFORMATION

Johns Hopkins University
Wyman Park Building, 5th Floor
3100 Wyman Park Dr
Baltimore, MD 21211

Homepage: <http://taowangecon.github.io>
GitHub: <https://github.com/iworld1991>
✉ E-mail: twang80@jhu.edu
Phone: (410) 516-7601

RESEARCH
INTEREST

- **Behavioral macroeconomics:** expectation formation
- **Heterogeneous-agent macroeconomics:** household behaviors and macroeconomic dynamics

EDUCATION

Johns Hopkins University, Baltimore, MD 2017– 2022 (expected)

- M.A. and Ph.D. candidate in **Economics**
- Advisor: Prof. **Christopher Carroll**
- Coursework: Time Series Econometrics, Asset Pricing, Decision Making under Uncertainty, Computational Macroeconomics, Information in Economics and Finance, International Finance, Advanced Macroeconomics I & II

Cornell University, Ithaca, NY 2013–2015

- M.P.A. in **Cornell Institute for Public Affairs**
- Thesis: *Chinese Macroeconomic Policies, Restrictive Central Bank Independence, and Market Expectations*, advisor: Prof. **Assaf Razin**

Renmin University of China, Beijing, China 2009–2013

- B.A. in **Economics**
- Thesis: *Economic Behaviors of Local Governments*

WORK IN
PROGRESS

1. “How Do Agents Form Inflation Expectations? Evidences from Cross-moment Estimation and the Uncertainty”, **working draft**, 2020.

Abstract: Density forecasts of macroeconomic variables provide one additional moment restriction, uncertainty, for testing and exploring the implications of theories about how people form expectations differently from full-information rationality benchmark. This paper first documents the persistent dispersion in inflation uncertainty of professionals and households, and how it conveys different information from the widely used proxies to uncertainty such as cross-sectional disagreement and forecast errors. Second, utilizing the panel data structure of both surveys, I provide additional reduced-form test results as well as structural estimates for three workhorse theories of “irrational expectation”: sticky expectation (SE), noisy information (NI), and diagnostic expectation (DE) by jointly accounting for its predictions for different moments. This is a natural extension of Coibion and Gorodnichenko (2012), which examines different moments separately. Also, motivated by the time-varying pattern of the uncertainty observed from surveys, I considers an alternative inflation process featuring stochastic volatility. These extensions allow me to match the joint dynamics of inflation and forecast moments in better goodness of fit. It also testifies how incorporating higher moments from survey data helps understand both the expectation formation mechanisms and inflation dynamics.

2. “*Perceived Income Risks*”, working draft, 2020.

Abstract: Heterogenous-agent models under uninsured risks typically assume that agents have a perfect understanding of the size and nature of income risks. This paper explores the implications of the imperfect understanding. I first document the following empirical patterns of subjective risk profiles utilizing a density income survey. First, cohorts that have experienced higher income volatility both at individual and aggregate levels perceive higher-income risks. Second, perceptions of risks countercyclically react to recent realizations and past experiences of macro labor markets. Third, earners who are younger, from low-income households, and low numeracy have higher perceived risks. Fourth, higher perceived risks decrease the readiness to spend via precautionary saving motives. Theoretically, these empirical patterns can be reconciled by a model of learning from past experiences of income realizations based on subjective attribution of the nature of income shocks. By introducing attribution errors due to the psychological tendency to external (internal) attribution for bad (good) outcomes, the model provides a consistent explanation for the non-monotonic income-profile of risk perceptions and its countercyclical dynamics. It may also explain some emerging evidence on income-dependent patterns of inequality/fairness perceptions.

3. “*Learning from Friends in a Pandemic: Social Networks and the Macroeconomic Response of Consumption*”, working paper, 2020.

Abstract: This paper studies how local shocks can have aggregate effects through interpersonal influences on expectations via social networks. We identified these effects empirically by looking into the the consumption effect of COVID-19 infections in geographically distant but socially connected regions. Using daily consumption data across U.S. counties and Facebook’s Social Connectedness Index (SCI), we find that a 10% rise in SCI-weighted cases and deaths is associated with a 0.18% and 0.23% decline in consumption expenditures. These effects are concentrated among consumer goods and services that rely more on social-contact. Second, we augment a quantitative consumption/saving model of an incomplete market with social learning. The model is general enough to nest many workhorse theories of expectation formations featuring overreaction, rational updating or stickiness. It shows that the presence of social communication could either amplify or mute the local shocks in aggregation depending on the interplay between individual and social learning. We also show how the dynamic and average size of aggregate responses depend on the location of the initial shocks and the structure of the network. We briefly discuss the welfare implications of social influence in this environment.

CONFERENCE

- Yale SOM, NBER Behavioral Macro Research Bootcamp.

RESEARCH
ASSISTANT
EXPERI-
ENCE

- **Heterogeneous-agent macroeconomic modeling** 2019
Econ-ARK Project led by Prof. Christopher Carroll
 - Authored [Python codes/Jupyter Notebook](#) that evaluates, illustrates and visualizes the dimension-reduction in solving high-dimension general equilibrium models by Bayer and Luettticke (2018).
 - Contributed to the [Jupyter notebook](#) replicating Krusell-Smith (1998) algorithm via [HARK](#) toolkit.

- **Tutorials on quantitative economic modeling** 2017
Quantitative Economics, Prof. Thomas Sargent (New York University)
- **Capital account liberalization and exchange rate dynamics** 2015
Prof. Eswar Prasad (Cornell University)

EMPLOYMENT EXPERI- ENCES

- **International Monetary Fund** 2016-2017
Research Assistant in the Research Department
- **The Brookings Institution** 2015-2016
Research Analyst in Global Economy and Development Program

TECHNICAL SKILLS

- *Programming Languages*: Python, Matlab, Stata

POLICY PUBLICA- TION

1. **A Sy and T Wang** . “*De-risking, Renminbi Internationalization and Regional Integration: Evidence from Payment Flows of Sub-Saharan Africa*”. [Brookings Working Paper](#), 2016.

REFERENCES

- Prof. **Christopher Carroll** (JHU), ccarroll@jhu.edu
- Prof. **Jonathan Wright** (JHU), wrightj@jhu.edu