DAKE LI

dakel@princeton.edu | https://dakeli.weebly.com | +1 (609) 937 2990

PRINCETON UNIVERSITY – DEPARTMENT OF ECONOMICS

Placement Officer : Gianluca Violante   violante@princeton.edu   +1 (609) 258 4003

Office Contact Information
Julis Romo Rabinowitz Building
Princeton University
Princeton, NJ 08544

Home Contact Information
465 Meadow Rd
Apt 11302
Princeton, NJ 08540

Personal Information:
   Gender: Male   Citizenship: China, People's Republic

Undergraduate Studies:
   BA in Economics, Peking University, 2012 - 2016

Graduate Studies:
   Princeton University, 2016 - present
   Ph.D. Candidate in Economics
   Dissertation Title: *"Essays on Estimating Impulse Responses in Macroeconometrics"*
   Expected Completion Date: June 2022

   References:
   Professor Christopher A. Sims   Professor Mikkel Plagborg-Møller
   Department of Economics   Department of Economics
   Princeton University   Princeton University
   +1 (609) 258 4033   +1 (609) 258 9806
   sims@princeton.edu   mikkelpm@princeton.edu

   Professor Mark W. Watson
   Department of Economics
   Princeton University
   +1 (609) 258 4811
   mwatson@princeton.edu

Teaching and Research Fields:
   Primary fields: Time Series Econometrics

   Secondary fields: Empirical Macroeconomics

Teaching Experience:
   Princeton ECO 517: Graduate Econometric Theory I (TA, Fall 2018, Fall 2019, Fall 2020)
   Princeton ECO 518: Graduate Econometric Theory II (TA, Spring 2018, Spring 2019, Spring 2020)
   Princeton ECO 202: Statistics and Data Analysis for Economics (TA, Fall 2019)

Research Experience and Other Employment:

Professional Activities

Honors, Scholarships, and Leaderships:

Research Papers:

"Semiparametric Identification of SVAR Models with Zero Lower Bound" (Job Market Paper)

The US federal funds rate was frequently constrained to zero after the Great Recession, and the Federal Reserve has since turned to unconventional monetary policy tools. This paper uses a structural vector autoregression with a Zero Lower Bound (SVAR-ZLB) model to characterize the censored nominal interest rate and the effect of unconventional monetary policy. The existing literature relies on the assumption of zero short-run effect of the unconventional monetary policy to identify this model, but this paper studies model identification without relying on this assumption. In the case of empirically relevant non-Gaussian shocks, this paper proposes a generic semiparametric identification scheme to prove point identification, without relying on the parametric form of the shock distribution. The key problem of model identification that this paper solves is to deal semiparametrically with the non-linearity arising from censoring of the nominal interest rate at zero. An efficient Bayesian inference routine is designed to facilitate model estimation in practice. The empirical results suggest that the unconventional monetary policy has a small and transitory effect.

"Local Projections vs. VARs: Lessons From Thousands of DGPs" (with Mikkel Plagborg-Møller and Christian K. Wolf)

We conduct a simulation study of Local Projection (LP) and Vector Autoregression (VAR) estimators of structural impulse responses across thousands of data generating processes (DGPs), designed to mimic the properties of the universe of U.S. macroeconomic data. Our analysis considers various structural identification schemes and several variants of LP and VAR estimators, and we pay particular attention to the role of the researcher's loss function. A clear bias-variance trade-off emerges: Because our DGPs are not exactly finite-order VAR models, LPs have lower bias than VAR estimators; however, the variance of LPs is substantially higher than that of VARs at intermediate or long horizons. Unless researchers are overwhelmingly concerned with bias, shrinkage via Bayesian VARs or penalized LPs is attractive.

Research Paper in Progress:

"International Evidence on Credit and Economic Activity" (with Christopher A. Sims)

This paper incorporates quarterly macroeconomic data on an international panel into a large Structural Vector Autoregression (SVAR) model, in order to uncover the different causal channels from credit aggregates to future GDP. We find evidence that the shock in the real estate sector mainly contributed to the unusual negative relationship between credit and GDP in the Great Recession.