Ching-Tse Chen

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Education

The University of Chicago Booth School of Business Chicago, IL
PhD in Finance *June 2026 (Expected)*

University of Toronto Toronto, ON
Honors BSc., Economics and Mathematics Specialist (with High Distinction) *June 2019*

References

Stefan Nagel (Chair)
Fama Family Distinguished Service Professor of Finance
University of Chicago Booth School of Business
Stefan.Nagel@chicagobooth.edu

Pascal J. Noel
Sing Family Professor of Finance
University of Chicago Booth School of Business
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Taisiya Sikorskaya
Assistant Professor of Finance
University of Chicago Booth School of Business
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Amir Sufi
Bruce Lindsay Distinguished Service Professor of Economics, Finance and Public Policy
University of Chicago Booth School of Business
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Research Interests

Household Finance, Behavioral Finance

Job Market Paper

The Economic Consequences of Lower Retail Trading Costs *2025*
with Ming-Jin Lin

Abstract: Brokerage commissions—once a major trading cost for retail investors—have fallen substantially worldwide over the past several decades. This paper studies how lower trading costs affect retail investors and market outcomes, leveraging a 2017 tax reform in Taiwan. The reform reduced the transaction tax by 15 basis points specifically for day trading. Using detailed account-level transaction data, we find that portfolio returns of the average investor decline due to two investor responses. First, day trading volume increases significantly by 30% but this increase is driven disproportionately by less sophisticated investors. Second, and surprisingly, day traders' gross returns per dollar traded worsen by 5 basis points, reducing the mechanical benefit from the tax cut. Consistent with the view that transaction costs serve a disciplinary role, we trace this performance deterioration to less attentive decision-making. Together, these responses result in a negative net impact concentrated among investors with smaller holdings, whereas large investors benefit. In contrast with individual-level losses, market quality improves: intraday liquidity increases and volatility decreases following the reform. Overall, our findings highlight a policy-relevant trade-off: interventions lowering retail trading costs can benefit markets while harming individual investors.

Publication

Debt Moratoria: Evidence from Student Loan Forbearance *2024*
with Michael Dinerstein, Constantine Yannelis
American Economic Review: Insights, 6(2), 196-213, June 2024

Abstract: We evaluate the effects of the 2020 student debt moratorium. Using administrative credit panel data, we compare borrowers whose loans were frozen to borrowers whose loans were not frozen based on whether the government owned the loans. We estimate that borrowers used the new liquidity to increase borrowing on mortgages, auto loans, and credit cards rather than avoid delinquencies. The effects are concentrated among borrowers without delinquencies, who saw no change in credit scores. The results highlight an important complementarity between liquidity and credit, as liquidity increases the demand for credit even as the supply of credit is fixed.

Working Paper

Global Investor Expectations and Currency Return Predictability *2022*

Abstract: Using survey data on exchange rate and interest rate expectations, this paper investigates the source of predictable exchange rate expectation errors by interest rate differentials. With a present value decomposition of exchange rates, I highlight that the predictable innovation in subjective currency risk premia plays a crucial role in explaining the ex-post predictability of exchange rate forecast errors, which results in predictable currency returns widely-documented in the literature. This is a novel channel of predictability not emphasized in exchange rate models featuring rational expectations or assuming investors make predictable errors for interest rates. As an illustration, I propose a reduced-form model with time-varying subjective perceptions of risk that generates predictable innovation in subjective risk premia. I further present empirical evidence that is consistent with a key property of the model—a positive relationship between subjective perceptions of risk and subjective return expectations.

Other Employment and Research Experience

Analysis Group New York, NY
Summer Associate Intern *Summer 2024*

Ministry of the Interior, Republic of China Taipei, TW
Substitue Military Service *2022-2023*

Chicago Booth Chicago, IL
Reseach Assistent for Wenxin Du *2020*

Columbia Business School New York, NY
Reseach Assistent for Charles Calomiris, Harry Mamaysky *Summer 2018*

University of Toronto Toronto, ON
Reseach Assistent for Pat Akey, Chayawat Ornthanalai *2017-2019*

Teaching

Chicago Booth

MBA: Corporate Finance (TA for Victor Lyonett)

Undergraduate: Corporate Finance (TA for Ehsan Azarmsa)

Professional Service

Yiran Fan Memorial Prize Award Selection Committee *2025*

Chicago Booth Brownbag Co-Organizer *2022*

PhD Student Mentor *2021*

Awards and Fellowships

Eugene F. Fama PhD Fellowship *2025*

Fama Miller Center Research Grant *2023*

Fama Miller Center Research Grant *2021*

CRSP Summer Research Grant *2020*

Fama Miller Center Research Grant

Booth Doctoral Fellowship *2019*

Skills

Programming and Software: Python, Stata, R, SQL, Bloomberg, Latex, Excel

Language: English (fluent), Chinese (fluent)