

Fan Liang

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RESEARCH INTERESTS

Macroeconomics, Monetary Economics, Search Theory

EDUCATION

University of Georgia

Ph.D., Economics

Athens, GA

Expected May 2022

University of Iowa

M.A., Economics (Doctoral track)

Iowa City, IA

May 2017

DePaul University

B.A., Economics and Finance

Chicago, IL

June 2015

Minor: Mathematics

Honor: *magna cum laude*

WORKING PAPERS

1. "Adverse Selection and Small Business Finances" (Job Market Paper)
2. "Learning and Money Adoption" with Michael Choi
R&R at *Journal of Political Economy*
3. "Currency Competition with Uncertain Acceptance: The Case of Cryptocurrencies" with Scott Spitze

TEACHING EXPERIENCE

Instructor, University of Georgia

Principles of Macroeconomics

F 2020, Sum 2019

Research Assistant, University of Georgia

Svetlana Pashchenko

S 2021, S 2020, F 2018

Jeff Thurk

S 2021

Teaching Assistant, University of Georgia

Intermediate Microeconomics

S&F 2021, S 2019

International Trade

F 2021

Economics Analysis for Business Leaders

F 2021

Principles of Macroeconomics

Sum 2020

Economic Analysis for MBA

F 2019

Intermediate Macroeconomics

S 2019

Teaching Assistant, University of Iowa
 Money, Banking and Financial Markets
 Intermediate Microeconomics
 Principles of Microeconomics
 Introduction to Econometrics

S 2018, F 2017
 F 2017
 S 2017, S 2016
 F 2015

SEMINARS AND CONFERENCES

I-85 Macroeconomics Workshop, University of North Carolina at Charlotte (scheduled) 2021
 Macroeconomics Brownbag at University of California, Irvine 2020
 Mini Conference on Search and Money, University of Wisconsin at Madison 2019
 I-85 Macroeconomics Workshop, University of Georgia 2018

REFeree FOR JOURNALS

Journal of Economic Behavior and Organization
 European Economic Review

AWARDS AND FELLOWSHIPS

Swift Teaching Fellow Award, University of Georgia 2021
 Graduate Assistantship, Department of Economics, University of Georgia 2018 -
 Graduate Assistantship, Department of Economics, University of Iowa 2015-18
 Dean's Award for Scholastic Excellence, DePaul University 2012
 Dean's Honor List, DePaul University 2010-15

SKILLS

Programming: Python, Matlab, Stata, LaTeX
Language: Mandarin, English

REFERENCES

Dr. Martin Gervais
 Department of Economics
 University of Georgia
 martin.gervais@uga.edu

Dr. Roozbeh Hosseini
 Department of Economics
 University of Georgia
 roozbeh@uga.edu

Dr. Michael Choi
 Department of Economics
 University of California, Irvine
 michael.yfchoi@uci.edu

ABSTRACT OF WORKING PAPERS

1. “Adverse Selection and Small Business Finances”

Abstract: I propose a motive for firms to hold liquid assets, the *signaling motive*: firms carry liquid assets to signal their investment quality. The signaling motive complements the well-studied precautionary motive: liquidity holdings are useful outside of credit markets when the external credit is impossible or too costly to obtain. Using a directed search model with asymmetric information, this paper rationalizes both motives for small businesses that have a simple capital structure consisting of liquid assets and bank loans. The novelty of this model is the endogenous outside option of borrowing, self-finance, that creates firms’ precautionary demand for liquidity, which further allows firms to use it to signal. Thus, in equilibrium, banks use firms’ liquidity holdings as well as loan approval rate to screen out risky firms. Without the self-finance option, liquid assets become redundant as both motives disappear. While the equilibrium is distorted, I also show that constrained efficiency can be restored via an appropriately designed tax scheme: taxing the safe borrowers and subsidize the risky ones.

2. “Learning and Money Adoption” joint with Michael Choi

Abstract: Hirshleifer (1971) famously argued that the public disclosure of socially useless information hurts welfare because it creates unwanted economic fluctuations. We show that this logic can fail if the disclosed information concerns the medium of exchange. We consider an economy where agents gradually learn about the quality of a new asset and coordinate to adopt it as a medium of exchange or abandon it. The demand of this money-like asset can be partially convex, and the convexity translates more economic fluctuations into higher asset prices, making the asset a more useful payment device. Therefore more information disclosure sometimes raises welfare, even when information is not socially useful, i.e. when new information does not affect agents’ adoption decisions. When there are competing monies, the aggregate liquidity and welfare can be non-monotone in beliefs and hence a good news about a new money can be a bad news for the aggregate economy. In an extension with heterogeneous agents we illustrate that the presence of some holders can change the allocation substantially.

3. “Currency Competition with Uncertain Acceptance: The Case of Cryptocurrencies” joint with Scott Spitze

Abstract: Prices of new currencies reflect both the liquidity of a currency today and its expected future liquidity as more consumers and merchants accept it as means of payment. We adopt a New Monetarist framework with an emerging currency, cryptocurrency, competing with an existing currency, money. Seller’s acceptance of cryptocurrency exogenously grows over time; this growth stops in a random period. Cryptocurrency prices increase in expected future acceptance and crash when acceptance growth stops. We also study an environment in which a fraction of buyers are optimistic about the future of cryptocurrencies. Surprisingly, the presence of optimists has an ambiguous effect on prices.