

# Fan Liang

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## RESEARCH INTERESTS

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Macroeconomics, Monetary Economics, Search Theory

## EDUCATION

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**University of Georgia**

Ph.D., Economics

Athens, GA

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

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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

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**Instructor**, University of Georgia

Principles of Macroeconomics

F 2020, Sum 2019

**Research Assistant**, University of Georgia

Svetlana Pashchenko

S 2022, S 2021, S 2020, F 2018

Jeff Thurk

S 2021

**Teaching Assistant**, University of Georgia

Intermediate Macroeconomics

S 2022, S 2019

Intermediate Microeconomics

S&F 2021, S 2019

International Trade and Finance

F 2021

Economics Analysis for Business Leaders

F 2021

Principles of Macroeconomics

Sum 2020

Economic Analysis for MBA

F 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

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I-85 Macroeconomics Workshop, University of North Carolina at Charlotte	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

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Journal of Economic Behavior and Organization  
 European Economic Review

## AWARDS AND FELLOWSHIPS

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Outstanding Teaching Assistant Award, Center for Teaching and Learning, University of Georgia	2022
Swift Undergraduate Teaching Fellowship Award, Terry College of Business, 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

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

## REFERENCES

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### Dr. Martin Gervais

Alumni Board Distinguished  
 Professor  
 Department of Economics  
 University of Georgia  
 martin.gervais@uga.edu

### Dr. Roozbeh Hosseini

Associate Professor  
 Department of Economics  
 University of Georgia  
 roozbeh@uga.edu

### Dr. Michael Choi

Assistant Professor  
 Department of Economics  
 University of California, Irvine  
 michael.yfchoi@uci.edu

## ABSTRACT OF WORKING PAPERS

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### 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 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 balance sheet 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 their ability to repay loans. Thus, in equilibrium, the banks use firms’ liquidity holdings as well as loan approval rate to screen out the risky firms. Without the self-finance option, liquid assets become redundant as both motives disappear. I also show that when the equilibrium is distorted, constrained efficiency can be restored via an appropriately designed tax scheme that involves taxing the safe borrowers and subsidizing 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 hodlers 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.