# Licheng Zhang

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## Education

Ph.D. Economics, The University of Texas at Dallas, 2017 to July 2021 (Expected).

M.S. Quantitative Economics and Econometrics, East Carolina University, 2017.

M.S. Industrial Engineering, The University of Tennessee, 2016.

   *Minors:* Statistics, Computational Science.

B.S. Logistics Engineering, Northeast Forestry University, 2014.

## Research Fields

Macro-Finance, Monetary Policy, Financial Economics.

## Academic Experience

The University of Texas at Dallas, Richardson, TX

Teaching Assistant, Aug 2017 to Present.

East Carolina University, Greenville, NC

Teaching Assistant, Aug 2016 to July 2017.

The University of Tennessee, Knoxville, TN

Research Assistant, Aug 2014 to July 2016.

## Working Papers

**"Low Interest Rates and Asset Allocation: Evidence from Mutual Fund Flows"** (JMP)
Abstract: This paper studies the effect of monetary policy on investors' asset allocation decisions by using data on aggregated and disaggregated mutual fund flows. First, we find that following an expansionary monetary policy, both equity funds and bond funds receive large inflows. Specific to asset classes, investors move money from large-cap assets to mid-cap and small-cap assets in the near term and then shift assets from domestic to developed and emerging markets. This leads us to the hypothesis that equity investors become more risk-taking when the interest rate is low, we then test this with individual funds panel data, our results indeed confirm this hypothesis. By contrast, bond investors become more risk-averse and move money into highly safe investment-grade funds and diversified global funds. Furthermore, we offer empirical evidence that the Fed's long-lasting zero lower bound policy (ZLB) increases both equity investors' and bond investors' appetite for risk-taking, although

it has a much greater impact on bond investors than equity investors. Bond investors change from being risk-averse during the normal interest rate period to become risk-taking during the ZLB period.

**"Monetary Policy, Financial Conditions and GDP at Risk"**
Abstract: We empirically explore the interrelationship between monetary policy, financial conditions, and GDP growth based on cross-country panel data. Specifically, we apply the penalized quantile regression with fixed effects method to estimate the GDP growth distribution, and estimate impulse responses of financial conditions to monetary policy, GDP growth distribution to financial conditions and short-term interest rates through the smooth local projections. Our results suggest that the financial conditions play an important role in monetary policy transmission and offer a strong signal on the tail outcomes of GDP growth. Following a contractionary monetary policy shock, the overall financial conditions become tight, and tight financial conditions have significant negative effects on the future GDP growth. However, when considering specific financial conditions variables: credit to households, debt securities, effective exchange rate, and open-end fund total asset, only credit to households show a consistently positive effect on near-term GDP at risk. In addition, we find that the short-term interest rate has a strong effect on the average GDP growth, but its effect on other quantiles of GDP growth is much smaller.

**"Jobless Reoveries and Time Variation in Labor Markets"** with Irina B. Panovska

## Honors, Scholarships, & Fellowships

Charles C. McKinney Scholarship, The University of Texas at Dallas, 2019, 2020.

Irving J. Hoch Scholarship, The University of Texas at Dallas, 2020.

Outstanding Graduate, East Carolina University, 2017.

UT ESPN Fellowship, The University of Tennessee, 2014 to 2016.

## Certifications

Python (Intermediate) HackerRank Certificate, 2020.

Passed Level II CFA Exam, 2019.

Passed FRM Exam Part II, 2019.

SAS Certified Advanced Programmer for SAS 9, 2018.

## Skills

Programming: Python, SAS, Matlab, R, Stata, SQL.

Languages: Chinese, English.

# References

Professor Irina Panovska (Advisor)
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The University of Texas at Dallas
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Professor Dong Li
Department of Economics
The University of Texas at Dallas
E-mail: `econdongli@utdallas.edu`

Professor Victor Valcarcel
Department of Economics
The University of Texas at Dallas
E-mail: `victor.valcarcel@utdallas.edu`