

# Xuan (Sarah) Zou

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## EDUCATION

	<b>Rutgers University</b>
Expected May 2020	Ph.D. Candidate in Economics Dissertation: " <a href="#">Essays on Banking, Capital Markets, and Financial Regulations</a> " Committee: Joseph Hughes, Eugene White, Michael Bordo External: Julapa Jagtiani (Federal Reserve Bank of Philadelphia) Research Fields: Banking, Financial Markets, and FinTech
2014	<b>University of Illinois, Urbana-Champaign</b> M.S., Finance and Statistics
2012	<b>Wuhan University</b> B.S., Economics

## RESEARCH EXPERIENCE

2017	<b>National Bureau of Economic Research</b> <b>Research Assistant</b> Summarized and analyzed the accounting and administration information in the examining reports for banks in New York City during 1880–1910.
2012	<b>International Monetary Institute, Renmin University of China</b> <b>Research Assistant</b> Collected data and materials for research projects; assisted in hosting international seminars.

## TEACHING EXPERIENCE

2016–2018	<b>ECON301 Money and Banking</b> <b>ECON321 Intermediate Macroeconomics</b> Part-time Lecturer
2018 Spring	<b>HC125 Social Innovation</b> (Honors College) Teaching Fellow
2015–2016	<b>ECON477 Economics of Population</b> <b>ECON439 Economic Development</b> Teaching Assistant

## CONFERENCE PRESENTATIONS

2019	Southern Finance Association Annual Meeting, Orlando, FL (Scheduled)
	Asian Meeting of the Econometric Society, Xiamen, China
	China Meeting of the Econometric Society, Guangzhou, China
	Georgetown Center for Economic Research Biennial Conference, Washington, DC
2018	Catalan Economic Society Conference, Barcelona, Spain
	Eastern Economic Association Annual Meeting, New York, NY
	Southwestern Finance Association Annual Meeting, Houston, TX
2017	American Economic Association Annual Meeting (Poster Session), Atlanta, GA
	Workshop on Chinese Financial and Banking System, Aberdeen, UK
	Asian Meeting of the Econometric Society, Hong Kong, China
	China Meeting of the Econometric Society, Wuhan, China

## FELLOWSHIPS AND AWARDS

2018–2019	Doctoral Dissertation Fellowship, Chiang Ching-kuo Foundation
2018–2019	Oskar Morgenstern Fellowship, George Mason University
2016,2017,2018	TA/GA Professional Development Fund Award, Rutgers University
2015,2016	Teaching Assistant Fellowship, Rutgers University
2013	Excellent Graduate Award, College of Business at University of Illinois

## SKILLS

**Programming:** Proficient in SAS, R, SQL, and LaTeX. Experience with GAUSS and Python.

**Languages:** English (fluent), Mandarin (native)

## JOB MARKET PAPER

### "Squeezing Small Business Lending: Dodd-Frank's Capital Market Incentives"

One element in the continuing debate on the costs and benefits of the Dodd-Frank Act of 2010 focuses on small business loans. Instead of attempting to directly measure the costs and benefits, I propose an alternative approach, measuring how the new regulations altered the capital market incentives for bank lending to small businesses. The events triggering the market's response were (1) the passage of the Dodd-Frank Act of 2010 and (2) the regulatory relief plan announced in 2015. By matching the Federal Reserve's Call Reports, Summary of Deposits, and Y9C Reports with Compustat data, I constructed a dataset of the top-tier publically traded bank holding companies, spanning the years 2001–2017 to identify the market effects of the Dodd-Frank Act. Overall, the capital market responded by increasing the incentives for community banks to expand their small business loans and for large banks to reduce theirs. After 2010, large banks slashed their lending so much that in spite of an increase in credit by small banks following the Federal Reserve's 2015 regulatory relief plan, the volume of newly originated small business loans never fully recovered from the recession.

## OTHER PAPER

### "Can the Greater Fool Theory Explain Bubbles? Evidence from China"

This paper presents previously unused data on the aggregate number of newly opened brokerage accounts in China and tests the role of new investors in bubble formation. I find that new investors, attracted by soaring stock prices and the intensive trading activities of others, drove the Chinese stock market bubbles in 2007 and 2015, supporting the Greater Fool theory of bubbles. The inexperienced and naive new investors appear more likely to be the "greater fools." Using the residual orthogonalization method, I build a data-driven structural model system, where shocks from the new accounts variable explain 40-55% of Chinese stock return variation.

## WORK IN PROGRESS

### "Fintech vs. Traditional Banking: Complementary or Competition? " with K. Song

Examining the confidential consumer financing data from *Ant Financial*, the financial company of *Alibaba*, we find several stylized facts: (1) fintech users are concentrated in small cities and rural areas, while credit card users are in major cities in China; (2) fintech users are mostly below 30-year old, while credit card users are elder; (3) fintech consumer loans are usually used to buy nondurable goods and the loan amount is highly correlated with on-line shopping consumption at city level; (4) on-line shopping consumption is expanding dramatically from major cities to smaller cities and rural areas; (5) about 10% of short-term consumption loans flowed to the housing market and about 23% of small enterprises used consumption loans for business. This paper aims to disentangle the relationship between fintech and traditional banking: whether fintech will replace the consumer financing role of traditional banks or it will promote the reform and development of banks. The fast growth of fintech lending provides us a comprehensive dataset to analyze and the experience of fintech development in China will provide important implications for other countries.

## REFERENCES

### Joseph Hughes

Professor of Economics  
Rutgers University  
[jphughes@economics.rutgers.edu](mailto:jphughes@economics.rutgers.edu)

### Eugene White

Distinguished Professor of Economics  
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### Michael Bordo

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