

Tsung-Hsien Li (李宗憲)

Ph.D. Candidate in Economics, University of Mannheim

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Placement Officer

Prof. Dr. Christoph Rothe (rothe@vwl.uni-mannheim.de; +49 621 181-1921)

Research Interests

Primary: Macroeconomics, Computational Economics

Secondary: Consumer Finance and Default, Financial Intermediation

Education

09/2017 — Present Ph.D. in Economics, University of Mannheim

Main Advisor: [Prof. Michèle Tertilt, Ph.D.](#)

Expected Graduation: August 2022

Spring 2020 Visiting Ph.D. Student, Yale University

09/2012 — 06/2015 M.A. in Economics, National Taiwan University

09/2007 — 06/2012 B.A. in Economics & B.S.S. in Bio-Industry Communication and Development, National Taiwan University

References

Michèle Tertilt, Ph.D.

Professor of Economics
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Klaus Adam, Ph.D.

Professor of Economics
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Dr. Matthias Meier

Assistant Professor of Economics
University of Mannheim
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Honours

08/2019 — Present Ph.D. Scholarship, Stiftung Geld and Währung

12/2021 Grant for Selective Papers at SAEe, Fundación Ramón Areces

[Rescheduled] Nominated Participant at 7th Lindau Nobel Laureate Meetings

09/2017 — 07/2019 Ph.D. Scholarship, German Research Foundation (DFG)

06/2017 Outstanding Research Paper, Central Bank of R.O.C. (Taiwan)

12/2014 Outstanding Master's Thesis Award of Macroeconomic Theory, Taiwan Economic Association

09/2013 C. Y. Cyrus Chu and Tain-Jy Chen Scholarship Award

Professional Experience

- 02/2019 — 06/2019 Teaching Assistant, University of Mannheim
Macroeconomics A (Bachelor) [\[Evaluation\]](#)
- 08/2015 — 07/2017 Economic and Financial Analysis Specialist, Department of Economic Research, Central Bank of R.O.C. (Taiwan)
- 06/2015 — 05/2016 Research Assistant, Taiwan Clearing House. Project Title: “The Identification of Domestic Systemically Important Banks (D-SIBs) in Taiwan,” (with Nan-Kuang Chen and Yu-Ning Hwang)
- 08/2014 — 07/2015 Research Assistant, National Taiwan University. Advisors: Nan-Kuang Chen and Hung-Jen Wang
- 09/2012 — 06/2015 Teaching and Grading Assistant, National Taiwan University
Money and Banking, Microeconomics, Statistics, Industrial Economics, Principles of Economics, Mathematics for Economists (All Bachelor)

Job Market Paper

“Rationalizing the Payday Loan Puzzle: A Credit Scoring Explanation,” (with [Jan Sun](#))

Abstract: Many credit cardholders in the U.S. turn to expensive payday loans, even though they have not exhausted their credit lines yet. This results in significant monetary losses and has been coined the “Payday Loan Puzzle”. One proposed but not yet examined explanation is that households use payday loans to protect their credit scores since payday lenders do not report to credit bureaus. To verify this hypothesis, we build a two-asset Huggett-type model with two default options as well as both hidden information and actions. Our calibrated model is the first able to generate the puzzle endogenously. In particular, we can quantitatively account for 40% of the puzzle occurrence and match the magnitude of monetary losses due to this seeming pecuniary mistake. To inform the policy debate over payday lending, we assess the welfare implications of several policy counterfactuals, such as banning payday loans or increasing the default costs. The welfare conclusion hinges upon the trade-off between pooling due to unobservable payday loan usage and insurance through payday loans.

Work in Progress

“Consumer Bankruptcy: the Role of Financial Frictions”

Abstract: Welfare implication of bankruptcy laws hinges upon the insurance-efficiency trade-off between smoothing across states and over time (Zame, 1993). Bankruptcy leniency (strictness) renders financial intermediaries more externally (internally) funded. However, more leveraged intermediaries face higher refinancing costs when financial frictions arise due to moral hazards (liquidity channel). In addition, higher refinancing costs result in lower investment in physical capital due to the no-arbitrage condition (divestment channel). Both forces, in turn, impact the trade-off mentioned above. To understand the extent to which financial frictions influence the welfare conclusions of bankruptcy regimes, I develop an Aiyagari-type heterogeneous agent model with the consumer default and the agency problem between banks and depositors. The borrowing prices capture not only individual-level default premium but also aggregate-level liquidity shortage in the banking capitalization.

Policy-Relevant Publications

“Collateral Constraints, Housing Prices, and Business Cycles in Taiwan,” (in Mandarin Chinese), *Quarterly Bulletin*, Central Bank of R.O.C. (Taiwan), R&R [\[Download\]](#)

🔊 I use an estimated DSGE model to decipher the housing boom in Taiwan.

“Identifying and Evaluating Domestic Systemically Important Banks in Taiwan,” (in Mandarin Chinese, with [Nan-Kuang Chen](#) and Yu-Ning Hwang), 2018, *Quarterly Bulletin*, Central Bank of R.O.C. (Taiwan), vol. 39(4), pp. 5-36 [\[Download\]](#)

🔊 We identify systemically important banks in Taiwan based on the SRISK measure.

Workshops, Summer Schools, and Training Courses

- 2021 Numerical Methods by Prof. Felix Kübler (Zürich); Econometric Society Summer Schools in Dynamic Structural Econometrics; Topics on Sovereign Default by Prof. Pablo A. Guerron-Quintana (Boston College)
- 2020 EABCN Training School on Continuous Time Methods in Macroeconomics
- 2019 EABCN & Bank of England Training School on Solution Methods for Discrete Time Heterogeneous Agent and Markov Switching Linear Models; Princeton Initiative: Macro, Money and Finance Conference; Summer School on Socioeconomic Inequality by HCEO; Bayesian Macroeconometrics by Prof. Frank Schorfheide (U Penn)
- 2018 Joint Research Center (European Commission) & Dynare Course on Identification Analysis and Global Sensitivity Analysis for Macroeconomic Models
- 2016 Dynare Summer School; SEACEN & Bank of Japan Intermediate Course on Econometric Modeling and Forecasting

Computational Skills and Languages

Matlab (Octave), R, EViews, Julia, Python, L^AT_EX

English, German (Basic), Mandarin Chinese (Native), Taiwanese (Native)

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