

Office Address:
3620 Locust Walk, Suite 3000
Philadelphia, PA 19104-6302

Hongyu Xiao
Tel.: (267) 205-2831
Email: hongxiao@wharton.upenn.edu

Home Address:
3600 Chestnut Street, apt. 420
Philadelphia, PA 19104-6302

Education Experience:

- The Wharton School, Business Economics and Public Policy Department,**
Philadelphia, PA July 2014 - May 2019
Ph.D. Candidate in Applied Economics
- Cornell University, Department of Statistical Science,** Ithaca, NY August 2011 - May 2012
Master of Professional Studies in Applied Statistics
- Cornell University, College of Arts and Sciences,** Ithaca, NY August 2007 - May 2011
Bachelor of Arts in Economics (Cum Laude) and Astronomy (Magna cum Laude)
With Distinction in All Subjects
Honor Thesis: Finding Early-Warning Indicators for Banking Crises: An Exploratory Approach

Research Interests:

Urban and Real Estate Economics, Economics of Innovation, Labor Economics and Corporate Finance

Honors, Fellowships and Grants:

- | | |
|-----------|--|
| 2017 | Mack Institute for Innovation Management Research Grant |
| 2016 | Kleinman Center for Energy Policy Research Grant
IWFSAS 2016 Best Paper Award
Mack Institute for Innovation Management Research Grant
Wharton Doctoral Travel Grant |
| 2015 | Amy Morse Prize |
| 2014 | Wharton Public Policy Initiative Fellowship |
| 2014-2019 | Wharton Doctoral Program Fellowship |
| 2007-2011 | Cornell University Dean's List |

Publications and Working Papers:

Economics:

Perez-Saiz, Hector and Hongyu Xiao. Cultural Affinity, Regulation and Market Structure: Evidence from the Canadian Retail Banking Industry, working paper, 2017.

We estimate a perfect information static entry game to study the importance of cultural and regulatory entry barriers on the competitiveness and geographic presence of retail depository institutions in Canada. The Canadian banking industry provides a good setting for analysis because it has high linguistic diversity in a dual regulatory banking system context, which allows us to separately identify the effect of cultural from regulatory entry barriers. We find that cultural affinity plays an important role to explain the significant comparative advantages some credit unions and banks have relative to other financial institutions. In several counterfactual experiments, we show that the effectiveness of

certain market strategies and regulations intended to foster competition are significantly limited by the cultural barriers, which is a key determinant that shapes the competitive landscape of the industry.

Li, Fuchun and Hongyu Xiao. Comparative Approaches in Predicting Financial Stresses in Canada, R&R at *Studies in Nonlinear Dynamics & Econometrics*, 2017.

We propose a new early warning model for predicting the likelihood of the occurrence of a financial stress event for a given future time. In this model, we examine whether credit plays an important role as a nonlinear propagator of shocks when predicting the likelihood of a financial stress event for a given future time. This propagation takes the form of a threshold regression in which a regime change occurs if credit conditions cross a critical threshold. The in-sample and out-of-sample forecasting evaluations suggest that the new early warning model is a useful tool to predict the likelihood of a financial stress event at a given future time. In particular, the out-of-sample forecasting results suggest that the model based on the credit-regime switching approach outperforms the benchmark models based on a linear regression and signal extraction approach across all forecasting horizons and all criteria considered, providing empirical evidence of the importance of credit as a nonlinear propagator of shocks to predict the likelihood of the financial stress events.

Wu, Andy and Hongyu Xiao. Closer Workers, More Productive Workers?, work in progress, 2017.

A worker's commuting distance to the workplace may have implications for her productivity through channels such as costly travel time and reduced knowledge spillovers, and these costs may drive observed agglomerative spatial patterns previously identified in the literature. However, there has been little prior work identifying and measuring the exact cost. We estimate the effect of distance between a worker's residence and workplaces on her productivity on a sample of US inventors. Utilizing precise data on residences and workplaces, we exploit within-city firm office relocations as exogenous shocks to commuting distance to eliminate the effects of residential sorting. We find that distance has a significant negative causal effect on inventor productivity; a 1 km increase in distance is associated with a 1 to 2% decrease in productivity. Our paper has implications for work on economic geography and productivity.

Astronomy:

Xiao, Hongyu, Kevin R. Covey, Luisa Rebull et al. [A Census of Rotation and Variability in L1495: A Uniform Analysis of Trans-atlantic Exoplanet Survey Light Curves for Pre-main-sequence Stars in Taurus](#). *Astrophysical Journal Supplements*, (202)1: 2012.

Presentations:

2017	Wharton School Applied Economics Student Seminar
2016	Wharton School Applied Economics Student Seminar Empirics and Methods in Economics Conference, Evanston, IL International Workshop on Financial System Architecture and Stability, Victoria, BC Trans-Atlantic Doctoral Conference, London, England, UK Wharton-INSEAD Doctoral Consortium, Singapore
2015	Wharton School Applied Economics Student Seminar
2014	Canadian Economics Association Conference, Vancouver, BC University of Ottawa Economics Seminar Bank of Canada Seminar

Consortia:

- 2017 Price Theory Summer Camp, Chicago, IL
Berkeley/Sloan Summer School in Energy and Environmental Economics, Berkeley, CA
- 2015 Frontiers in Urban Economics Conference, NYC, NY

Research Experience:

- 2016-2017 Research Assistant to Professor Gilles Duranton (Wharton)
2015 Research Assistant to Professor Joe Gyourko (Wharton)
2014-2015 Research Assistant to Professor Jean-François Houde (Wharton)
2012-2014 Research Assistant, Financial Studies Division, Bank of Canada
2010-2011 Economics Honors Program, Cornell University
2009-2012 Research Assistant, Cornell Astronomy Department

Teaching Experience:

- 2017 Teaching Assistant to Professor Eduardo Azevedo (Wharton) in BEPP 250
Teaching Assistant to Professor Joe Gyourko (Wharton) in Housing Markets class

Others:

Languages: Fluent in English, French and Mandarin Chinese

Advisors:

Professor Joseph Gyourko
The Wharton School
University of Pennsylvania
gyourko@wharton.upenn.edu
(215)898-3003

Professor Gilles Duranton
The Wharton School
University of Pennsylvania
duranton@wharton.upenn.edu
(215)898-2859