JING (XIAN) NG

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WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA

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Education

Undergraduate

B.A Mathematics-Economics,
Reed College, *Phi Beta Kappa,* 2017

Graduate

PhD in Applied Economics
Wharton School, University of Pennsylvania, 2019 to present
Thesis Title: "Essays in Household Finance"
Expected Completion Date: June 2025

Thesis Committee and References:

Benjamin Keys (Primary Advisor)
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Todd Sinai
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Teaching and Research Fields:

Primary: Household Finance, Real Estate Economics, Applied Microeconomics
Secondary: Behavioral Economics

Teaching

2020, 2022	FNCE 2020, Consumer Financial Decision Making, Teaching Assistant
2021	BEPP 2500, Managerial Economics, Head Teaching Assistant

Research Experience and Other Employment:

Summer 2022	Zillow, Applied Scientist Intern
2017-2019	University of Chicago, Research Professional (with Peter Ganong and Pascal Noel)

Honors, Scholarships, and Fellowships

2022, 2023	Consumer Financial Management Dissertation Fellowship, National Bureau of Economic Research

Presentations

Federal Reserve Bank of Philadelphia, Federal Reserve Board of Governors (scheduled)

Programming

Advanced: R
Intermediate: Python, SQL, sparklyr, PySpark

Research Papers

Recurring-Payment Targeting in Household Borrowing **(JOB MARKET PAPER)**

This paper provides evidence of payment sensitivity in household borrowing decisions: mortgage borrowers respond to the size of the recurring payment as opposed to discounted total loan costs when choosing between loan options. I develop a test for payment sensitivity that exploits differences in predicted bunching at kinks and notches generated by mortgage insurance requirements and find that borrowing is substantially more responsive to nominal recurring payments than to the net present value of total costs. To rationalize the result, outside borrowing costs would have to be implausibly high, exceeding 40% a year. Payment sensitivity is the most likely explanation for observed borrowing choices as alternatives require implausible non-mortgage borrowing costs or household preferences. I develop a dynamic consumption-savings model and show that underlying preferences can generate the observed payment sensitivity only if borrowers initially have a high marginal utility of cash-on hand that coincidentally and sharply falls by more than 50% in a narrow time window after loan origination. Payment sensitivity has important implications for regulation and policy. Lenders can manipulate loan features and shroud increases in total costs from payment sensitive borrowers, even while keeping fixed or even decreasing recurring payments. This type of shrouding could enable excessive borrowing and attenuate the transmission of monetary policy.

Credit When You Need It, with Benjamin Collier, Benjamin Keys, and Daniel Hartley – NBER Working Paper W32845, August 2024

Under Review

We estimate the causal effect of emergency credit on households' finances after a negative shock. To do so, we link application data from the U.S. Federal Disaster Loan program, which provides loans to households that have uninsured damages from a federally-declared natural disaster, to a panel of credit records before and after the shock. We exploit a discontinuity in the loan approval rules that led applicants with debt-to-income ratios below 40% to be differentially likely to be approved. Using an instrumented difference-in-differences research design, we find that credit provision at the time of a shock significantly reduces severe financial distress, decreasing the likelihood of filing for bankruptcy by 61% in the three years following the disaster. We explore mechanisms using additional quasi-experimental variation in interest rates, finding support for a liquidity-based explanation. Credit provision in a time of crisis has real consumption effects in the form of additional car purchases even 3 years after loan receipt. Our findings suggest that well-timed liquidity provided to households in acute need can have substantial and persistent positive effects.

Debt Delinquency and Financial Stress During and After the Great Recession

In Progress

I use a shift-share instrument to estimate the effect of negative employment shocks on household financial stress. I find that a 1 percentage point decline in county employment is associated with a 3.6% increase in households' delinquent debt. These effects are not due to changes in residential housing net-worth, and are persistent up to 5 years after the initial employment shock. These measures of debt delinquency provide a fuller picture of household financial well-being that may not be fully captured by common measures such as income or consumption flows.