

YANYAN YANG

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EDUCATION

2010 – Present, Ph.D. Candidate in Economics, Claremont Graduate University

2004 – 2008, B.A. in Economics, Hebei University of Economics & Business, High Honors, China

RESEARCH FIELDS

Primary: International Finance, Financial Economics, Innovation

Secondary: Development, Applied Econometrics

TEACHING FIELDS

Macroeconomics, Microeconomics, Money and Banking, Statistics, Econometrics Research Methods

RESEARCH EXPERIENCE

2018 – Present, The Institute for Research on Innovation and Science (IRIS) Project at University of Michigan

2016 – Present, Visiting Scholar at Michigan State University on the National Science Foundation-sponsored “Idea Gap in Pink and Black” Project

Summer 2016, Research Fellow at the American Economic Summer Program

2014 – Present, Research Fellow at the Digital Learning Lab at Claremont Graduate University

2013 – Present, Research Assistant for Professor Thomas Willett

2012 – 2013, Research Assistant for Professor Joshua Tasoff

2011 – 2012, Research Assistant for Professor Paul Zak at the Neuroeconomics Lab

WORKING PAPERS

Effects of Investor Sentiment on EUR/USD Foreign Exchange Rate

This paper demonstrates that investor sentiment plays a significant role in explaining the deviation from the uncovered interest rate parity (UIP). To measure the investor sentiment, I apply new Sentix survey data including both economy sentiment index and exchange rate sentiment measured by the proportions of optimistic and pessimistic investors separately. I first build a simple "Half-full and Half-empty" model to illustrate how sentiments distort expectations of exchange rates, then I revisit the Fama regression, allowing for the inclusion of investor sentiment as an explanatory variable. To examine the effects of sentiment dynamically, a VECM framework is adopted to test the effects of sentiment shocks on the deviation from UIP. The results suggest that the shocks of optimistic and pessimistic exchange rate sentiments are permanent over longer horizons contrast to transitory effects of the interest rate differential.

Do Sentiment and EUR/USD Exchange Rate Share Memories? An Application of Multifractional Process with Qidi Peng

We use the local Holder regularity to investigate the roughness of the pattern of EUR/USD exchange rate process as well as the corresponding investor sentiment dynamic process. Specifically, we use the pointwise Holder exponent to measure the local Holder regularity of a multifractional process. This application extends the increment ratio method to estimate the pointwise Holder exponent of multifractional Brownian motion's function. Our testing and comparison results show that both the exchange rate and the sentiment proxy's local Holder regularities are time-varying and are more homogeneous during crises periods. More importantly, in contrast to the optimistic sentiment, the roughness of the pessimistic sentiment dynamic process displays only slightly higher similarity to that of EUR/USD exchange rate. These results suggest that the EUR/USD exchange

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rate process and the pessimistic sentiment dynamic process share a common pattern of smoothness, which implies that they share a similar “memory” pattern.

Missing Women and African Americans, Innovation, and Economic Growth with Lisa D. Cook

The process of converting invention to innovation is fundamental to economic growth but remains poorly understood. This paper uses data from the Survey of Doctoral Recipients to examine the determinants of patent and commercialization activity among PhD-holders and, more importantly, for the first time, those who commercialize their inventions over time. Recent studies have shown that rates of patenting and commercialization of ideas by women and African Americans have lagged those of U.S. inventors. What accounts for these differences in patenting and commercialization? Consistent with earlier research, we find that African Americans and women apply for patents 54 and 55 percent less than men, patent 54 and 60 percent less than men, and commercialize their patents 55 and 60 percent than men. We find that those who commercialize their patents over time are productive in research, are at large firms, are in the physical sciences and engineering, and are largely neither women nor African Americans. Given the important progression from basic research to invention to commercialization of ideas to higher living standards, we estimate that GDP per capita could rise by 0.88 percent to 4.6 percent with the inclusion of more women and African Americans in the initial stages of the process of innovation.

Financial Reform, Inclusion and Mobile Money in Nigeria with Lisa D. Cook

This paper examines the effect of financial literacy on the usage of financial products in Nigeria. In contrast to the previous studies on financial literacy and development using country-level data, by applying comprehensive household survey data over three years, we investigate the determinants of financial development in Nigeria at an individual level. We find that the marginal effects of financial literacy and some demographic characteristics such as employment status and education change significantly pre- and post-banking crisis. Another interesting discovery is that coefficients of financial literacy vary across regions.

Global Imbalances: An Empirical Diagnosis with Graham Bird

In this paper our main focus is to examine the causes of observed changes in global imbalances and to test empirically ideas that emerge from conventional balance of payments theory. This theory suggests, for example, that increasing current account balances of payments deficits will be associated with excessive domestic absorption, monetary expansion, and structural deficiencies such as slow productivity growth and adverse movements in the terms of trade. In pursuing this approach we are also able to examine the empirical evidence relating to the twin deficits hypothesis that claims that current account deficits reflect underlying fiscal deficits. In addition we test to see how responsive imbalances have been to changes in real effective exchange rates.

Global Stock Market Contagion from Sentiment Perspective: A Copula Approach

I investigate the dependence structure of stock market co-movements. I apply the copula approach, a method that accounts for cases in which random variables depart from normal distribution. This paper first examines cross-market interdependence based on an application of the copula approach throughout different episodes and then investigates the cause of increase in dependence during times of economic turmoil from a sentiment perspective. This essay makes three contributions to previous studies: (1) it applies the copula approach to account for stock market returns with fat tails; (2) in order to measure the interdependence of stock returns, this paper applies different functions of copulas such as the Clayton

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copula to capture the asymmetric response of stock market returns; and (3) it provides an explanation for the contagion---the significant increase of stock market interdependence during market downturns---from a sentiment perspective.

Chinese Triple Listed Stock Shares: A Sentiment Perspective

Using panel data from 17 companies cross-listed in China, Hong Kong and the U.S from Jan 2004 to April 2016, this paper examines the underlying relationships among the returns of the triple-listed Chinese A-shares and H-shares and ADRs. To test the role of the investor sentiment on both the home market and overseas market, this study adopts a unique data set that measures the international investors' sentiments on both American and Chinese equity markets.

AWARDS AND FELLOWSHIPS

2018 IRIS UMETRICS Fellowship at University of Michigan

2017 American Economic Association Summer Program Outstanding Research Fellow Award

2016 American Economic Association Summer Program Outstanding Research Fellow Award

2015 Best Research Award at the Institute for Studies on Economics and Employment in Italy

2014 Department of Economics at Claremont Graduate University Travel Award

2010 Claremont Graduate University Research Assistant Fellowship

TEACHING EXPERIENCE

Fall 2017, Instructor for Math for Political Scientists at Claremont Graduate University

Summer 2017, Teaching Fellow for Research Method at the AEA Summer Program

Summer 2016, Teaching Fellow for Research Method at the AEA Summer Program

2014 – Spring 2016, Instructor for Principles of Microeconomics and Principles of Macroeconomics at University of La Verne

2012 – 2014, Instructor for Principles of Microeconomics and Principles of Macroeconomics at Loyola Marymount University

Spring 2012, Teaching Assistant for Evolutionary Economics at Claremont Graduate University

Spring 2011, Teaching Assistant for Econometrics III (Time Series) at Claremont Graduate University

Fall 2010, Teaching Assistant for Econometrics II (Panel Data) at Claremont Graduate University

CONFERENCE & PRESENTATIONS

2018 ***“Missing Women and African Americans, Innovation, and Economic Growth”*** with Lisa D. Cook Paper Presentation at the ASSA Conference in Philadelphia

2017 ***“Financial Reform, Inclusion and Mobile Money in Nigeria”*** with Lisa D. Cook Paper Presentation at the ASSA Conference in Chicago

2017 ***“Effects of Investor Sentiment on EUR/USD Foreign Exchange Rate”*** Poster Presentation at the ASSA Conference in Chicago

2016 ***“Effects of Investor Sentiment on EUR/USD Foreign Exchange Rate”*** Presentation at Michigan State University

2016 ***“Chinese Triple Listed Stock Shares: A Sentiment Approach”*** at the 91st Western Economic Association Conference in Portland

2015 **Dissertation Presentation** to Nobel Laureates George Akerlof and Robert Shiller at the Institute for

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Studies on Economics and Employment

2015 *“Effects of Market Sentiment on Foreign Exchange Rates”* at the 90th Western Economic Association Conference in Honolulu

2012 *“Global imbalances: What are not the problems”* at the 87th Western Economic Association Conference in San Francisco

SKILLS: Computer Skills: STATA, MATLAB, Eviews, SPSS, R, LaTeX, GIS

MEMBERSHIPS: American Economic Association, Econometric Society, Western Economic Association

LANGUAGES: English (Fluent), Mandarin Chinese (Native)

CITIZENSHIP: Chinese

REFERENCES:

Professor Thomas Willett

Horton Professor of Economics

Claremont McKenna College

Claremont Graduate University

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Professor Lisa D. Cook

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