

DONG (CARL) CHENG

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Department of Economics
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Education

- Vanderbilt University, Department of Economics
 - Ph.D. in Economics, *expected* May 2018
 - M.A. in Economics, 2014
 - Dissertation Title: Essays on the Role of Durables and Financial Frictions in Business Cycles and International Trade
 - Dissertation Committee: Mario J. Crucini (Primary Advisor), Gregory W. Huffman, Atsushi Inoue, Hyunseung Oh, David C. Parsley
- Renmin University of China, School of Economics
 - M.A. in Economics, 2012
 - B.A. in Economics, 2010

Research and Teaching Fields

- Primary: Macroeconomics, International Economics
- Secondary: Applied Econometrics, Real Estate Economics, Chinese Economy

Honors and Fellowships

Graduate Student Travel Grant to Present Research, Vanderbilt University, 2017
Walter M. Noel Dissertation Fellowship, Vanderbilt University, 2016
Early Career Development Grant (Co-PI), National Social Science Foundation of China, 2016
Kirk Dornbush Summer Research Grant, Vanderbilt University, 2015, 2017
Council of Economics Graduate Students Research Grant, Vanderbilt University, 2015, 2016
Departmental Teaching Assistantship, Vanderbilt University, 2013, 2014, 2015, 2017
University Fellowship, Vanderbilt University, 2012-2017
Hsiao Tung Fei Fellowship, Hsiao Tung Fei Education Fund, 2011

Teaching Experience

- Vanderbilt University, Instructor
 - Intermediate Macroeconomic Theory (Undergraduate): Summer 2016
 - Note: Instructor Evaluation is available online [[Instructor Evaluation](#)]*
- Vanderbilt University, Teaching Assistant
 - International Finance (Undergraduate): Fall 2017, Spring 2017
 - Econometrics II (Ph.D.): Fall 2017, Fall 2015

Intermediate Macroeconomic Theory (Undergraduate): Spring 2017
Introduction to Econometrics (Undergraduate): Spring 2016
Macroeconomic Theory (Master): Spring 2016, Fall 2014, Fall 2013
Intensive Economic Statistics (Undergraduate): Fall 2015
Time Series Econometrics (Ph.D.): Spring 2015
Macroeconomic Theory II (Ph.D.): Spring 2015, Spring 2014
Macroeconomic Theory III (Ph.D.): Fall 2014

Research Papers

1. "Housing Boom and Non-housing Consumption: Evidence from Urban Households in China", ***Job Market Paper***, [[Manuscript](#)] [[Online Appendix](#)]

This paper explores the response of non-housing consumption to housing price movements in urban China, which has been enjoying a real estate boom ever since 2003. Using Urban Household Survey data over the period 2002-2009, we estimate an elasticity of consumption with respect to housing price of 0.06 to 0.07 for homeowners. The average marginal propensity to consume out of housing wealth is 0.025 to 0.03. The estimates are economically significant because they imply that the increase in consumption induced by housing appreciation during 2002-2009 amounts to 14%-17% of current consumption in 2009 for a representative homeowner. We employ a novel instrumental variable associated with China's higher-education expansion between 1998 and 2005 to ensure that these estimates are causal effects. We further explore the heterogeneity in consumption response along several dimensions, including homeownership, income and wealth status, degree of collateral constraint, and durability and income elasticity of consumption goods.

2. "Time-varying Impacts of Financial Credits on Firm Exports: Evidence from Trade Deregulation in China", with Zhongzhong Hu and Yong Tan, ***under review***, [[Manuscript](#)]

This study investigates the heterogeneous and time-varying effects of internal/external finance on firms' exporting performance. Employing a micro data set covering Chinese manufacturing firms and a difference-in-differences (DID) approach, we find that internal/external finance improves firm-level exports and productivity more for firms that switch from indirect to direct exporting than continuous indirect exporting firms. Furthermore, we implement a difference-in-difference-in-differences (DDD) approach and find that improvements in firm-level internal/external finance have larger positive impacts on export values of firms that switch from direct to indirect exporting in the post-WTO accession period.

3. "Credit Rationing and Firm Exports: Microeconomic Evidence from China", with Yong Tan and Jian Yu, ***under review***, [[Manuscript](#)]

This study examines the effect of credit rationing on export performance for small and medium-sized firms (SMEs) in China. We utilize a novel firm-level data set that covers SMEs and provides firm-specific measures of credit rationing based directly on firms' response to the survey rather than indirectly from firms' financial statements to conduct this analysis. We find that, at the extensive margin, weak and strong credit rationing reduce SMEs' export probability by 22% and 36%, respectively. At the intensive margin, they decrease SMEs' export values by more than 32% and over 66%, respectively. Different from existing literature, we construct firm-level instrumental variables, firms' housing investments and accounts receivable, for credit rationing rather than using province-level counterparts. In addition, credit rationing exhibits heterogeneous impacts on firms with different liquidity ratios, product portfolios, external collateral and capital utilization rates.

4. “Process Innovation and Product Diffusion Through Trade: A Study of U.S. Automobile Exports from 1913 to 1940”, with Mario J. Crucini, Hyunseung Oh, and Hakan Yilmazkuday, ***Preliminary draft is available upon request***

This paper studies the diffusion of a new and highly traded good (i.e. automobile) from global obscurity to a steady state level in the first half of the twentieth century. To conduct this analysis, we scrape historical data on quantity and value of passenger vehicles exported from the United States to approximately 170 destinations from 1913 to 1940. We focus on U.S. automobile exports because the United States was dominant in both production and trade of passenger vehicles before World War II. We start with estimating reduced-form logistic functions of the stocks of automobiles. The estimated parameters are then utilized to calibrate a symmetric Armington model of automobile diffusion with a CES demand structure. The Armington model helps us to cleanly separate the determinants of long-run diffusion levels and the dynamic paths towards those levels. Our calibrated model generates a fairly reasonable match between actual data and the simulated accumulation path of automobiles for most destinations.

Work in Progress

“Housing Boom and Household Consumption in China: Decomposing Competing Channels”

“Identifying and Demystifying Learning-by-Exporting”, with Zhongzhong Hu and Joel Rodrigue

“The Collateral Channel: How Real Estate Shocks Affect Firm Exports”, with Yong Tan and Jian Yu

“Property Rights Protection, Productivity, and Exports: Theory and Evidence from China”

Publications in Chinese

1. “Household Consumption Upgrade, Factor Price Distortion, and Rural-to-Urban Labor Migration in China.” *Economic Review*, January 2018, 47-61 (with Fuqian Fang, Jian Yu, and Wenping Zheng)

2. “Oil Price Uncertainty, Investment, and Macroeconomic Fluctuations in China.” *Economic Theory and Business Management*, November 2017, 98-112 (with Jian Yu and Wenping Zheng)

3. “Uncertainty Shocks to Oil Prices and Firm Investment.” *Journal of Financial Research*, 438, December 2016, 32-47 (with Jian Yu and Wenping Zheng)

4. “Wealth Redistribution in Inflation Shocks.” *Economic Theory and Business Management*, June 2011, 49-58 (with Yiqun Dai and Zhengyan Xiao)

Presentations and Conferences

• Presentations of Research

Vanderbilt Economics Departmental Seminar, Nashville, TN, November 2017

Midwest Macro Meetings, University of Pittsburgh, PA, November 2017

Vanderbilt International Economics Research Workshop, Nashville, TN, September 2017

Canadian Economic Association Annual Meetings, Antigonish, Nova Scotia, Canada, June 2017

Midwest Macro Meetings, Louisiana State University, Baton Rouge, LA, May 2017

Vanderbilt Graduate Research Symposium, Nashville, TN, March 2017

Vanderbilt Economics Graduate Brown Bag Seminar, Nashville, TN, February 2017

University of International Business and Economics, Beijing, China, December 2016

Central University of Finance and Economics, Beijing, China, November 2016

Midwest Macro Meetings, Federal Reserve Bank of Kansas City, MO, November 2016

• Conferences Attended

AEA International Society for Inventory Research, Chicago, IL, January 2017

NBER International Comparisons of Income, Prices, and Production, Cambridge, MA, May 2016

Referee Activity

China Economic Review, Frontiers of Economics in China, Southern Economic Journal

Computer Skills

Matlab, Stata, R, Python, and \LaTeX

Personal

Citizenship: China (F-1 visa)

Language: English (Fluent), Chinese (Native)

Professional References

Professor Mario J. Crucini (Advisor)

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Professor Mattias Polborn (Placement Director)

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