

Yunfan Gu

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EDUCATION **University of California, Los Angeles (UCLA)** Los Angeles, CA
PhD in Economics 2013 - present
Research Interests: Macro, International Economics, Finance, Development

Carnegie Mellon University Pittsburgh, PA
MS in Computational Finance (*with university honors*) 2011 - 2012
MSCF Academic Excellence in Mathematics Award

Fudan University Shanghai, China
BS in Mathematics and Applied Mathematics 2007 - 2011

RESEARCH IN PROGRESS **Financial Frictions, Multinational Firms, and Income in Developing Countries (Job Market Paper)**

Financial frictions create resource misallocation across heterogeneous production units and reduce national income (GNP) in developing countries. Multinational firms, however, can largely circumvent local financial frictions by borrowing from international sources. In this paper, I study whether or not the presence of multinational firms in developing countries alleviates the adverse impact of financial frictions on national income. I find that when a developing economy is open to multinational production, financial frictions reduce national income through two channels: First, financial frictions constrain domestic firms that produce goods that are complementary to the goods produced by multinational firms, causing a decline in total output (GDP). Second, financial frictions constrain domestic firms in the competition with multinational firms and reduce domestic firms' market share, causing a decline in the share of total output paid to domestic residents ($\frac{GNP}{GDP}$). Quantitatively, I find that when a developing economy is open to multinational production, a modest financial reform that reduces financial frictions in the developing economy will increase national income by 19%, as opposed to only 11% when the economy is closed to multinational production. Such result indicates that financial reforms become increasingly beneficial to national income in developing countries as they open up to multinational production.

Joint Ventures and Technology Spillover in China

Chinese government promotes joint ventures of state-owned firms with foreign multinational firms. I study the effects of the joint ventures in promoting technology spillovers. Using firm-level data in China, I find that higher joint venture presence in a sector leads to higher productivity of firms in the upstream of that sector, but lower productivity of firms in the downstream of that sector. A quantitative analysis suggests that the joint ventures will on aggregate prevent technology spillovers and cause a significant decline in total industrial output in China.

The Demand and Supply of Safe Assets

It is documented that over the past 60 years, the safe assets as a percentage share of total assets in the U.S. has been almost constant and fluctuates around 33%. Empirically, I find that the demand curve of safe assets as a share of total assets is stable at an almost constant share over time, while the supply curve of safe assets as a share of total assets fluctuates over the business cycle. I then present a model to show that a stable demand for safe assets combined with increased risk in asset returns can pull the economy into a liquidity trap with low output, low investment, and low inflation.

TEACHING	University of California, Los Angeles (UCLA) Teaching Assistant • 2016-17 teaching evaluation score: 8.2/9.0 (department average: 7.3/9.0) • Courses: Principles of Economics, Intermediate Macroeconomics, Intermediate Microeconomics, and Game Theory.	Los Angeles, CA 2014-2017
INDUSTRY EXPERIENCE	Pacific Life Insurance Company Intern in Quantitative Risk Management • Analyze risk in the firm's fixed-indexed annuity products. Bank of New York Mellon Intern in Quantitative Model Validation • Validate the bank's Value-at-Risk and Stress Value-at-Risk models. Roland Berger Strategy Consultants Winter Intern • Cut sourcing costs for a state-owned airline company. Deutsche Bank Summer Analyst in Global Markets • Support the sales team in preparations for client meetings.	Newport Beach, CA 07/2014 - 09/2014 Pittsburgh, PA 03/2013 - 07/2013 Shanghai, China 11/2010 - 02/2011 Shanghai, China 07/2010-09/2010
LANGUAGES AND SKILLS	English (Fluent), Chinese (Native) Matlab, R, Stata, Excel	
REFERENCES	Lee Ohanian (Chair) Professor of Economics Department of Economics, UCLA ohanian@econ.ucla.edu (310) 968-6008 Gary Hansen Professor of Economics Department of Economics, UCLA ghansen@econ.ucla.edu (310) 825-3847	Pierre-Olivier Weill Professor of Economics Department of Economics, UCLA poweill@econ.ucla.edu (917) 331-7305