

CONTACT INFORMATION

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ACADEMIC EMPLOYMENT

2017 – Assistant Professor of Economics, University of Notre Dame

RESEARCH INTERESTS

Macroeconomics, Financial Economics

EDUCATION

2017 Ph.D., Economics, University of Cambridge

Dissertation Advisor: Giancarlo Corsetti

2012 M.Phil., Economics, University of Cambridge

2011 B.A.(Hons) & M.A., Economics, University of Cambridge

WORKING PAPERS

"The Expectations-Driven Financial Accelerator," with Antonio Falato, October 2019.

This paper develops a unified quantitative account of credit cycles and their macroeconomic consequences based on information frictions in debt markets. Using a dynamic model with endogenous default, we highlight a novel "herding" mechanism whereby uninformed debt investors learn about firms' creditworthiness from publicly-available survey information on quarter-ahead corporate profits. We show that: 1) short-term changes in expectations of corporate profits strongly forecast credit spreads and real economic aggregates over up to two years horizons; 2) credit spreads and defaults are counter-cyclical; 3) the mechanism can account quantitatively for the historically large spike in spreads during the financial crisis.

"Borrowing to Save and Investment Dynamics," September 2018.

Existing literature on financial frictions argue that firms reduce investment in a crisis due to a lack of credit. However, U.S. public firms, which together accounted for 89 percent of the decline in investment during the Great Recession, experienced no drop in borrowing. Instead of investing, they borrowed to expand their stock of safe assets; that is, they borrowed to save. I model borrowing to save as an optimal portfolio choice when firms face gradually resolving uncertainty. In a quantitative general equilibrium model with heterogeneous firms, I show that this mechanism can simultaneously generate a sharp downturn and a slow recovery.

WORK IN PROGRESS

"Biased Bank Expectations: Micro Evidence and Macro Consequences," with Antonio Falato.

"A New Keynesian Model with Behavioral Banks," with Antonio Falato.

PRESENTATIONS

- 2019** NBER Monetary Economics Meeting, Econometric Society Summer Meeting, Barcelona Summer Forum, SITE Workshop on Uncertainty and Volatility (Stanford), Oxford-New York Fed Monetary Economics Conference, CEPR-Bank of Finland Monetary Economics Conference
- 2018** Bank of Canada, McMaster University, CEPR European Summer Symposium in International Macroeconomics, SED, Tsinghua Workshop in Macroeconomics, CEBRA Annual Meetings, HKUST-Jinan Macroeconomics Workshop
- 2017** University of Cambridge, Bank of England, University of Maryland, Stanford GSB, University of Notre Dame, University of Virginia, Stockholm School of Economics, Toulouse School of Economics, University of Warwick, European Central Bank, University of Mannheim, Tilburg University, HEC Montréal, UBC Sauder School of Business, Federal Reserve Board, IMF

TEACHING EXPERIENCE

- 2018, 2020** Asset Pricing, Undergraduates, Notre Dame
- 2018 – 20** Advanced Macroeconomic Theory, PhD, Notre Dame
- 2015 – 17** Teaching Assistant, Advanced Graduate Macroeconomics, MPhil, Cambridge
- 2013 – 15** Teaching Assistant, Graduate Macroeconomics, MPhil, Cambridge

SERVICE

- Refereeing:** Econometrica, Review of Economic Dynamics, Economic Journal, Journal of International Economics
- External grant reviewing:** Hong Kong Research Grants Council

DISCUSSION

“The Origins of Firm Heterogeneity: A Production Network Approach” by Andrew Bernard, Emmanuel Dhyne, Glenn Magerman, Kalina Manova, Andreas Moxnes.

PERSONAL INFORMATION

Date of Birth: 7th December 1988 Citizenship: Chinese