

**CONTACT INFORMATION**

University of Notre Dame  
3033 Jenkins Nanovic Hall  
Notre Dame, Indiana 46556

Office: +1 574 631 7078  
Email: Jasmine.Xiao@nd.edu

**ACADEMIC EMPLOYMENT**

2017 – Assistant Professor of Economics, University of Notre Dame

**RESEARCH INTERESTS**

Macroeconomics, Financial Crises

**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**

*"Borrowing to Save and Investment Dynamics,"* December 2019.

During the U.S. Great Recession, investment declined more among firms whose indebtedness increased. Instead of investing, they increased their leverage and expanded 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, balancing the desire to invest with the need to prevent default. Embedding this into a quantitative general equilibrium model with heterogeneous firms, I show that this mechanism can simultaneously generate a sharp downturn and a slow recovery in response to a combination of first- and second-moment shocks.

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

This paper argues that imperfect information in credit markets is a source of macroeconomic fragility. Using a dynamic model with endogenous default, we highlight a novel mechanism whereby uninformed debt investors learn about firms' creditworthiness from publicly-available information on quarter-ahead corporate profits. We show that: 1) short-term changes in expectations of corporate profits forecast credit spreads and investment up to two years ahead both in the aggregate and at the firm level; 2) spreads and defaults are counter-cyclical; 3) the mechanism can account quantitatively for the historically large spike in spreads and contraction in aggregate investment during the crisis.

**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 –** Macroeconomic Theory II, 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: 7<sup>th</sup> December 1988      Citizenship: Chinese