

## Yukun Liu

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**Citizenship:** China, F-1 Visa

**Fields of Concentration:**

Primary Fields: Asset Pricing, Financial Economics  
Secondary Field: Labor Economics, Macroeconomics

**Desired Teaching:**

Investment, Financial Economics

**Comprehensive Examinations Completed:**

2015 (Oral): Financial Economics (*with distinction*) and Macroeconomics  
2014 (Written): Microeconomics and Macroeconomics

**Dissertation Title:** *Labor-Based Asset Pricing*

**Committee:**

Professor Tobias Moskowitz (Co-Chair)  
Professor Aleh Tsyvinski (Co-Chair)  
Professor Stefano Giglio  
Professor William Goetzmann  
Professor Andrew Metrick

**Expected Completion Date:** May 2019

**Degrees:**

Ph.D., Economics, Yale University, 2019 (expected)  
M.Phil., Economics, Yale University, 2016  
M.A., Economics, Yale University, 2016  
B.A., Economics & Mathematics, Cornell University, 2013 (with distinction in both majors)

**Fellowships, Honors, and Awards:**

2018	Winner, Blackrock Applied Research Award
2018	Winner, Q-Group Jack Treynor Prize
2018	Finalist, Crowell Memorial Prize, PanAgora Asset Management
2018	University Dissertation Fellowship, Yale University
2017-2018	Vardis and Opal Fisher Fellowship, Yale University
2014-2017	Charles V. Hickox Fellowship, Yale University
2013-2017	Cowles Foundation Fellowship, Yale University
2013-2018	Graduate Fellowship, Yale University
2013	Economic Theory Award for Best Theory Paper, Cornell University
2013	Phi Beta Kappa

**Research Grants:**

2018	Cowles Foundation Research Grant (\$6,000)
2018	International Center for Finance Research Grant (\$2,500)
2017	International Center for Finance Research Grant (\$12,700)

**Teaching Experience:**

Teaching Assistant, Yale University

2017	Corporate Finance (Instructor: Michael Pascutti)
2017	Financial Markets (Instructor: Robert Shiller)
2016	Debates in Macroeconomics (Instructors: Stephen Roach & Aleh Tsyvinski)
2016	Corporate Finance (Instructor: Michael Pascutti)
2016	Introduction to Macroeconomics (Instructor: Aleh Tsyvinski)
2015	Behavioral and Institutional Economics (Instructor: Robert Shiller)
2014-2015	Residential College Math and Science Tutor

**Working Papers:**

“Labor-Based Asset Pricing,” *Job Market Paper* (November 2018)

“Labor Market Competitor Network and the Transmission of Shocks,” with Xi Wu (August 2018)

“Long Run Risk: Is It There?,” with Ben Matthies (August 2018) *R&R, Journal of Finance*

“Risks and Returns of Cryptocurrency,” with Aleh Tsyvinski (August 2018) *R&R, Review of Financial Studies*

“How Shareholder Activism Affects Firms’ Cost of Borrowing,” with Xi Wu (November 2017)

“Managerial Disclosure in Response to Exogenous Price Shocks,” with John Heater and Ben Matthies (November 2017)

**Seminar and Conference Presentations (\* by coauthors):**

2019: American Economic Association Poster Session (scheduled), Financial Accounting and Reporting Section (scheduled), Q-Group (scheduled)

2018: Blackrock, China International Conference in Finance, European Finance Association Annual Meeting, Duke-UNC Fall Camp\*, Financial Accounting and Reporting Section\*, HKUST

Finance Symposium (scheduled), Labor and Finance Group Conference, Northern Finance Association (x2), PanAgora Asset Management, Paris December Finance Meeting (scheduled), SFS Cavalcade North America, University of Hong Kong

2017: American Accounting Association Annual Meeting\*, ASU Sonoran Winter Finance Conference, LBS Trans-Atlantic Doctoral Conference\*, NYU Stern Corporate Governance Luncheon\*, Paris Financial Management Conference

2016: LBS Trans-Atlantic Doctoral Conference, USC Marshall Ph.D. Conference in Finance\*

**Languages:**

Mandarin (Native), Cantonese (Native), English

**References:**

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**Dissertation Abstract**

**Labor-Based Asset Pricing [Job Market Paper]**

I establish empirically and theoretically that expectations of returns and cash flows are linked to firms' labor search decisions. Using a dataset that covers the near-universe of U.S. online job vacancy postings, I show that vacancy rates negatively predict stock returns and positively predict cash flows in the cross-section of firms and industries. Moreover, these results systematically depend on firms' labor-market conditions. The predictive power of vacancy postings is strengthened for firms facing unfavorable labor-market conditions, including industries with low vacancy-filling rates, firms with low relative labor market concentration, and firms with high skill requirements. In the aggregate time-series, I construct a new measure of

employment value incorporating information about vacancies, hires, and the costs of vacancy postings. The measure strongly predicts aggregate stock and bond market returns, even in the presence of other known predictors such as the capital investment rate and various price factors such as the dividend-price ratio, earning-price ratio, consumption-wealth ratio, and relative bill rate.

I build a dynamic production-side asset pricing model that combines heterogeneous firm production decisions with varying individual labor-market conditions. I show that the results of the model quantitatively match the empirical findings. When the expected return is low or the expected cash flow is high, the present value of additional labor is high, and therefore a firm responds by posting more vacancies. Moreover, firms are constrained by the labor-market conditions they face. When it is relatively hard to fill vacancies or when the labor market is unfavorable for firms, variations in vacancy posting rates are more informative about the underlying expectations of returns and cash flows.

### **Labor Market Competitor Network and the Transmission of Shocks, with Xi Wu**

We construct a time-varying network of labor competitors for all U.S. public companies. We show the importance of this network for transmitting labor and industry shocks. There are three main findings. First, the overlap between firms' labor competitors and product market rivals is less than 20 percent. Second, firm returns strongly respond to both the contemporaneous and lagged labor market shocks proxied by returns of the labor competitors. A long-short strategy exploiting the lagged response generates an average annualized excess return of 9.36 percent. Third, shocks to an industry can affect firms outside the industry through the labor network.

### **Long Run Risk: Is It There?, with Ben Matthies**

This paper documents the existence of long-run risk in consumption growth. We take the novel approach of using news coverage to capture investor concerns about economic growth prospects. We provide evidence that consumption growth is highly predictable over long horizons: our measure explains up to 24 percent of cumulative future consumption growth at the 6-year horizon and beyond. Furthermore, we show a strong connection between this predictability and asset prices. Innovations to our measure can account for variations of 51 standard portfolios in the cross-section, and this 1-factor model outperforms many benchmark multi-factor models.