

University of Minnesota - Twin Cities

Department of Economics
4-101 Hanson Hall
1925 Fourth Street South
Minneapolis, Minnesota 55455
U.S.A.

(612) 625-6353
(612) 624-0209 FAX

Placement Director

Fabrizio Perri
(612) 625-7504 or
(612) 204-5526
fperri@umn.edu

Placement Coordinator

Catherine Bach
(612) 625-6859
c-bach@umn.edu

Curriculum Vitae Fall 2009

KA FAI LI

Personal Data

Mailing Address

4-101 Hanson Hall
1925 Fourth Street South
Minneapolis, Minnesota 55455

Citizenship: HKSAR (F-1 Visa)

Telephone Numbers

Cell: (612) 636-3606
Office: (612) 625-7369
E-mail: kfli@umn.edu
URL: www.econ.umn.edu/~kfli

Major Fields of Concentration

Macroeconomics, Labor Economics, Computational Economics

Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
Ph.D.	Economics	University of Minnesota (expected)	2010
M.A.	Economics	University of Minnesota	2008
M.Phil.	Economics	The Chinese University of Hong Kong	2003
B. Soc. Sc.	Economics (First Honors)	The Chinese University of Hong Kong	2001

Dissertation

Title: "Essays on Consumption Smoothing"

Dissertation Advisors: Professor Timothy Kehoe and Professor Fabrizio Perri

Expected Completion: Summer 2010

References

Professor Fabrizio Perri	(612) 625-7504 (612) 204-5526 fperri@umn.edu	Department of Economics University of Minnesota 4-101 Hanson Hall 1925 Fourth Street South Minneapolis, Minnesota 55455
Professor Timothy Kehoe	(612) 625-1589 (612) 204-5533 tkehoe@umn.edu	
Professor Kim Sau Chung	(612) 624-4060 sau@umn.edu	
Dr. Simran Sahi	(612) 625-6353 ssahi@umn.edu	

Honors and Awards

- 2004 - 2005 *Departmental Fellowship*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- 2002 - 2003 *Best Masters Thesis Award*, Department of Economics, The Chinese University of Hong Kong, Hong Kong, China
- 1998 - 2001 *Dean's List Certificate*, Faculty of Social Science, The Chinese University of Hong Kong, Hong Kong, China
- 2000 - 2001 *United College Academic Prize*, United College, The Chinese University of Hong Kong, Hong Kong, China
- 1999 - 2000 *Tsang Shiu Tim Scholarship*, United College, The Chinese University of Hong Kong, Hong Kong, China
- 1998 - 1999 *Lady Ida Lau Memorial Prize in Economics*, United College, The Chinese University of Hong Kong, Hong Kong, China

Teaching Experience

- 2006 - Present *Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught *Principles of Microeconomics*, *Intermediate Microeconomics*, and *Cost Benefit Analysis*.
- 2005 - 2006 *Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for *Principles of Microeconomics*.
- 2001 - 2003 *Teaching Assistant*, Department of Economics, The Chinese University of Hong Kong, Hong Kong, China. Led recitation sections for *Introductory Macroeconomics*, *Intermediate Macroeconomic Theory*, and *Economy of Hong Kong*.

Professional Experience

- 2006 - Present *Visitor*, Research Department, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota.
- Summer 2007, *Research Assistant*, The Chinese University of Hong Kong, Hong Kong, China. Research
- Summer 2006, Assistant for Professor Chong Kee Yip.
- 2003 - 2004

Publication

- "Monetary Policy and Equilibrium Indeterminacy in a Cash-in-Advance Economy with Investment," with Chong Kee Yip, *Economics Bulletin* 5:2 (2004): 1-7.

Work in Progress

- "Trade Liberalization in an Incomplete Market Model: Bewley-Aiyagari meet Heckscher-Odlin"
- "Understanding Consumption Response to Income Shocks with Epstein and Zin Preferences"
- "How does Household Consumption and Labor Supply Respond to Income Shocks?," with Tin Cheuk Leung.

Presentations

- "Understanding Consumption Response to Income Shocks with Epstein and Zin Preferences," presented at the Midwest Macroeconomics Meeting, Indiana University-Bloomington, Bloomington, Indiana, May 2009.

Computer Skills

Gauss, Fortran, Matlab, Mathematica, STATA

Languages

Cantonese (native), English (fluent), Mandarin (fluent)

Dissertation Abstract

“How Does Household Consumption And Labor Supply Respond To Wage Shocks?”

Many economists have studied how people insure themselves against wage shocks to smooth consumption. However, many do not focus one important channel of insurance – family labor supply. We investigate the importance of family labor supply, in either intensive or extensive margins, for insurance against wage uncertainty. To investigate the importance, we study two things. First, we assume a parsimonious process for wage with permanent and transitory shocks, and estimate a joint process for male and female wages using moments in log difference (growth rate) and log levels. Estimates suggest that permanent shocks are positively correlated across genders while the correlation of transitory shocks is negligible. Second, we build and estimate a life cycle general equilibrium household model taking the wage process as given. In addition to asset holdings, households can insure against wage shocks through labor adjustment in either intensive margin or extensive margin. Using the simulated data from the model, we quantitatively investigate the importance of intensive or extensive margin as an insurance channel for wage shocks.