Name: Chen Zheng

Email: czheng37@wisc.edu

Program/School: 3rd year PhD student in the Department of Economics, University of Wisconsin-Madison

Courses Taken:

1st year: Standard first year sequence, including Micro Theory I and II, Macro Theory I and II, Metrics Theory I and II, and a Mathematics for Economists course.

2nd year: Industrial Organization Sequence (major field): The first course presents an overview of the field, focusing on topics where theoretical models have successfully been taken to data, while the second course focuses more on the details of how to estimate these models.

Public Economics Sequence (minor field): One course covers a comprehensive review of theory, empirical methods, and evidences related to the rationale, optimal design, and effects of social insurance programs and labor market policies, while the other one covers tools for estimating an economic model, program evaluation, and their combinations.

Applied Econometric: The course introduces several topics that are important in applied research such as IV, difference-in-difference, regression discontinuity design, etc.

Courses Currently Taking:

Theoretical Econometric: The course covers the core theory of nonlinear estimation and inference.

Structural Econometric: The course explores relationships between economic theory, identification, estimation and econometric practice. It develops structural approaches for analyzing large cross sectional and longitudinal data sets, by exploiting restrictions derived from the equilibrium dynamic outcomes of economic theory.

A Brief Background and General Research Interests:

My research interest in undergraduate was mainly about urban economics, especially in real estate. Under supervision of Professor David Albouy in the University of Michigan-Ann Arbor, I finished my undergraduate honor thesis on the effect of Hukou policy change on the housing prices across cities in China – a topic that drives my curiosity for a long time because the Chinese housing market has experienced a huge boom and housing price has skyrocketed.

After undergraduate study, I was hired as a full-time RA by the Department of Real Estate, Wharton School of Business in the University of Pennsylvania. Under the guidance of Professor Joseph Gyourko and Professor Fernando Ferreira, I mainly focused on a project about the U.S. housing foreclosure crisis using panel data evidence of prime and subprime borrowers from 1997 to 2012. There I've experienced the entire process of doing academic research, from the initial data cleaning to the final submission.

In my graduate school at Wisconsin, I find myself getting interested in the field of Industrial Organization. We've covered a wide variety of IO models and empirical skills to apply and estimate those models to data. My focus now is to apply what I learned to the Real Estate industry. I am now working with a professor in the Real Estate Department in Wisconsin on couple of projects about secondary mortgage market. In my 2nd year field paper, I examine whether competition between mortgage lenders reduces racial discrimination in the U.S. Residential Mortgage Market. One of the new ideas I propose is that due to the spread of Internet, people now have the option to shop online for mortgage quotes (for example, Quicken Loans is now the third largest lenders in the industry) so the geographical definition of market adopted by the current literature does not work appropriately anymore. I then propose an alternative definition of market using cluster analysis that groups mortgage lenders in terms of "similarity". I find competition between "close" competitors actually exacerbates racial discrimination, which is contrary to the current literature.

One of my other research ideas is trying to understand the performance of online platforms in the housing markets, such as Zillow, Trulia, as well as some relatively smaller regional platforms. I see many IO related questions there, such as the effect of entry of one platform on the entire online marketplaces. Is the competition makes the consumers well off? Can we quantify the gains or losses and potentially study how these marketplaces should be designed?

Reasons for Application to the NBER Digitization Tutorial Program:

I find NBER Digitization Tutorial very attractive to me. It can help me to learn more about how I can implement my research ideas. Unlike last year when I applied without a specific idea, now I do have some working projects and I am hoping to extend my field paper and see how Internet plays a role in mortgage lending. For example, what makes Quicken Loans to take over the lending business at an unprecedented rate? More importantly, there is an increasing importance of economics of digitization because digitization has coincided with the increased prominence of platforms and marketplaces that connect diverse agents in social and economic activity. I find this program to be particularly connected to IO as well as to my current research interest. Finally, I am in general very curious and excited to learn more about this young frontier area of research. The chance of face-to-face time with current research leaders and their presentations of frontier research will be an amazing platform for young PhD students like me who is yearn for cutting-edge tools and topics in the profession.