December 1, 2025

Shira Li
1 Soldiers Field Park, Unit 401
Boston, MA 02163
Email: shirali@g.harvard.edu

Dear NBER Selection Committee,

My name is Shira Li and I am a fourth-year PhD candidate in Business Economics at Harvard University with a research focus in finance, industrial organization, and market design. The NBER Digital Economics and AI Tutorial would be extremely complementary to my current research project studying FinTech mortgage lenders and to my broader research interests in understanding the impact of AI and digital advertising on consumer finance, and I would be grateful for the opportunity to learn from scholars in the field including Professor Martin Beraja, Avi Goldfarb, and Catherine Tucker, as well as interface with other PhD students interested in the same topics.

As a PhD student, I have completed coursework in corporate finance and asset pricing (with Professors John Campbell, Adi Sunderam, and Sam Hanson), industrial organization (with Professors Ariel Pakes and Robin Lee), and economics of AI (with Professor Sendhil Mullainathan and Ashesh Rambachan at MIT). Through these courses, I have developed my understanding of empirical and ML methods as well as honed my research interests in understanding the effects of digitization in mortgage lending. My dissertation committee consists of Professors John Campbell, Jeremy Stein, Adi Sunderam, and Mark Egan.

Currently, my dissertation focuses on how the identity of one's mortgage lender affects borrower propensity to refinance and impacts on consumer welfare. "20% of borrowers that appear unconstrained to refinance fail to do so" (Keys et al. 2016), and many explanations focus on borrower-side behavioral biases. My dissertation shows that frictions in refinancing can also be supply-side driven, depending on lender's business models or financial incentives in response to borrower inattention. In particular, I document that bank-originated loans have a 21% lower odds of exiting in the same month as a comparable nonbank-originated loan, even when controlling for a host of borrower and loan characteristics.

Going forward, I am interested in documenting how targeted financial advertising from lenders can affect borrower's initial choice of lenders and future refinancing decisions. In particular, I am interested in the impact of digital tools and AI in lowering initial search costs as borrowers compare mortgage rates, but also increasing borrower recapture as lenders gather more information about borrowers, including preference their for bundles of financial products (such as mortgages and credit cards) and propensity to refinance. Through this NBER tutorial, I hope to learn about tools such as those developed by Professor Chiara Farronato that can measure online borrower behavior so we can better understand how consumers search for and compare mortgage rates. I also hope to learn about frameworks for thinking about the regulation of data sharing, and how that might apply in consumer finance to questions around open banking and that might affect consumer welfare as nonbanks become an increasingly large part of the mortgage lending market.

As consumers increasingly search for and access financial products online, I am interested in using economics tools to better understand how digitization has affected search costs, and how AI will affect the market structure and market power of banks, mortgage lenders, and other financial institutions. I believe that attending the NBER Digital Economics and AI Tutorial will provide me with a strong framework and empirical tools to tackle important questions around platform regulation and consumer welfare in the household finance space, and I hope to connect with other PhD and faculty researchers who are similarly interested in tackling questions around digitization and AI. Thank you for considering my application!

Sincerely,
Shira Li