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EDUCATION

Ph.D., Economics, Boston University, Boston MA, May 2021 (expected)
Dissertation Title: *Essays on Macroeconomics and Asset Pricing*
Main advisor: Marianne Baxter

M.S., Finance, Washington University in St. Louis, St. Louis, MO, 2013

B.A., Economics, Peking University, Beijing, China, 2012

B.S., Mathematics, Beijing Jiaotong University, Beijing, China, 2012

FIELDS OF INTEREST

Macroeconomics, Asset Pricing, International Economics

WORKING PAPERS

“Labor Adjustment Cost: Implications from Asset Prices,” October 2020, Job Market paper.
“The Human Capital Quantity CAPM,” October 2020.

WORK IN PROGRESS

“Reasonable Risk Aversion” (joint with Marianne Baxter)
“The Hours Premium in U.S. Asset-Pricing”
“Firm-Level Political Risk in China”

TEACHING EXPERIENCE

Instructor, Introductory Macroeconomic Analysis, Department of Economics, Boston University, Summer 2018, Summer 2019
Teaching Assistant, Empirical Economics, Department of Economics, Boston University, Fall 2016, Spring 2017, Fall 2017, Spring 2018, Spring 2020
Teaching Assistant, Introductory Macroeconomic Analysis, Department of Economics, Boston University, Spring 2019

WORK EXPERIENCE

Research Assistant for Marianne Baxter, Boston University, Summer 2018, Fall 2018, Summer 2019, Fall 2019, Summer 2020, Fall 2020
Research Assistant for George-Levi Gayle, Washington University in St. Louis, Fall 2014, Spring 2015

Financial Analyst, Arch Grants, St. Louis, MO, 2014
Risk Management Consultant, Wells Fargo Advisors, St. Louis, MO, 2013

FELLOWSHIPS AND AWARDS

Dean's Fellowship, Boston University, 2015-2020
Outstanding Undergraduate Student Award, Beijing Jiaotong University, 2012
Outstanding Student Leadership Award, Beijing Jiaotong University, 2012

LANGUAGES

Chinese (native), English (fluent)

COMPUTER SKILLS

MATLAB, Python, STATA, LaTeX

CITIZENSHIP/VISA STATUS

China/F1

REFERENCES

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DONGWEI XU

Labor Adjustment Cost: Implications from Asset Prices (Job Market Paper)

This paper studies the macroeconomic and asset pricing implications arising from the labor adjustment cost. I implement a novel crosswalk linking three micro-level datasets and measure the hours margin of a firm's labor input. At the firm level, a 1 percentage point increase in hours growth is associated with a 0.6 percentage point decrease in future annual equity return. A production-based asset pricing model incorporating non-convex, linear, and convex labor adjustment cost components matches key moments of real quantities and asset prices. Consistent with the data, the model implies that firms face labor adjustment cost mostly in the form of production disruption, 20% of which occurs along the hours margin. I use the model to empirically measure a macroeconomic shock that reduces labor adjustment cost. Consistent with the model, the data suggests a negative price of such shock. Therefore, firms adjusting hours more produce more consumption goods in high marginal utility states and earn lower equity returns in equilibrium.

The Human Capital Quantity CAPM

If the labor income is the dividend from human capital value, then the labor hours is the dividend from human capital quantity (HCQ). This paper proposes a novel economic mechanism that matches the procyclical labor hours and countercyclical risk premium. When utility is nonseparable between HCQ and consumption, the equilibrium stochastic discount factor (SDF) increases in the HCQ-consumption ratio. Structural estimation of the model matches U.S. postwar macroeconomic data, and the SDF implied linear factor model explains 90% of the cross-sectional variation in Fama-French portfolios. Overall, my results suggest that HCQ-consumption ratio is an important macroeconomic risk factor.