

## YiLi Chien -- Economic Policy Advisor

### Joined the Bank Staff

February, 2012

### Education

Ph.D. Economics  
University of California, Los Angeles  
2006

C.Phil Economics  
University of California, Los Angeles  
2003

M.A. Economics  
National Taiwan University (NTU), Taipei, Taiwan  
1998

B.A. Economics  
National TsingHua University (NTHU), HsinChu, Taiwan  
1996

### Areas of Interest

Macroeconomics, Household Finance and Asset Pricing, Asymmetric Information and Dynamic Contracting

### Previous Experience

2011-2012 Visiting Scholar, Federal Reserve Bank of St. Louis  
2006 Assistant Professor, Dept. of Economics, Purdue University  
2004-2006 Research Assistant, National Bureau of Economics Research  
2002-2006 Teaching Fellow, Dept. of Economics, UCLA  
2000-2001 Research Assistant, Institute of Economics

### Forthcoming Papers

"The Ramsey Steady-State Conundrum in Heterogeneous-Agent Economies," with Yi Wen, FORTHCOMING: *Journal of Economic Theory*.

## Journal Publications

"Optimal Ramsey Taxation in Heterogeneous Agent Economies with Quasi-Linear Preferences," with Yi Wen, *Review of Economic Dynamics*, Oct 2022, Vol. 46, No. None, None, pp. 124-160.  
Publisher DOI: <https://doi.org/10.1016/j.red.2021.08.004>

"Optimal Fiscal Policy under Capital Overaccumulation," with Yi Wen, *Macroeconomic Dynamics*, Sep 2023, Vol. 27, No. 6, pp. 1706-1736.  
Publisher DOI: <https://www.cambridge.org/core/journals/macroeconomic-dynamics/article/abs/optimal-fiscal-policy-under-capital-overaccumulation/780B36F1CC7758030F1C240EFF75DDDD>

"The Determination of Public Debt under both Aggregate and Idiosyncratic Uncertainty," with Yi Wen, *Journal of Economic Theory*, July 2022, Vol. 203, 105474, pp. NA.

"Time-Inconsistent Optimal Quantity of Debt," with Yi Wen, *European Economic Review*, Nov 2021, Vol. 140, 103913, pp. 103913.  
Publisher DOI: <https://www.sciencedirect.com/science/article/pii/S0014292121002208>

"Are Unconditional Lump-sum Transfers a Good Idea?" with Yunmin Chen, Yi Wen, and C.C. Yang, *Economics Letters*, December 2021, Vol. 209, 110088, pp. NA.

"Should Capital Be Taxed?" with Yunmin Chen, Yi Wen, and C.C. Yang, *Economics Letters*, March 2021, Vol. 200, 109746, pp. NA.  
Publisher DOI: <https://www.sciencedirect.com/science/article/abs/pii/S0165176521000239>

"Why Are Exchange Rates So Smooth? A Household Finance Explanation," with Hanno Lustig and Kanda Naknoi, *Journal of Monetary Economics*, June 2020, Vol. 112, pp. 129-144.

"Two Monetary Models with Alternating Markets," with Gabriele Camera, *Journal of Money, Credit, and Banking*, August 2016, Vol. 48, No. 5, pp. 1051-1064.

"Implications Of Heterogeneity in Preferences, Beliefs and Asset Trading Technologies in An Endowment Economy," with Harold L. Cole and Hanno Lustig, *Review of Economic Dynamics*, April 2016, Vol. 20, pp. 215-239.

"The Risk Premium and Long-run Global Imbalances," with Kanda Naknoi, *Journal of Monetary Economics*, November 2015, Vol. 76, pp. 299-315.

"Understanding The Distributional Impact of Long-Run Inflation," with Gabriele Camera, *Journal of Money, Credit, and Banking*, September 2014, Vol. 46, No. 6, pp. 1137-1170.

"A Note on Excessive Perks to Restrain the Hidden Saving Problem," with Joon Song, *Macroeconomic Dynamics*, March 2014, Vol. 18, No. 2, pp. 480-496.

Publisher DOI: <https://www.cambridge.org/core/journals/macroeconomic-dynamics/article/note-on-using-excessive-perks-to-restrain-the-hidden-saving-problem/B0FFA873F9325AA246E51B23ADC4F36C>

"Perks in Long-term Contracts," with Minseong Kim and Joon Song, *Korean Economic Review*, 2013, Vol. 29, No. 1, pp. 161-188.

"Is the Volatility of the Market Price of Risk Due to Intermittent Portfolio Re-balancing?" with Harold L. Cole and Hanno Lustig, *American Economic Review*, Oct 2012, Vol. 102, No. 6, pp. 2859-2896.

Publisher DOI: <https://www.aeaweb.org/articles?id=10.1257/aer.102.6.2859>

"Externality Cost of Capital Investment in Limited Commitment," with Junsang Lee, *KDI Journal of Economic Policy*, Vol. 34, No. 2, pp. 17-40.

"A Multiplier Approach to Understanding the Macro Implications of Household Finance," with Harold L. Cole and Hanno Lustig, *Review of Economic Studies*, January 2011, Vol. 78, No. 1, pp. 199-234.

Publisher DOI: <https://academic.oup.com/restud/article/78/1/199/1535807>

"The Market Price of Aggregate Risk and the Wealth Distribution," with Hanno Lustig, *Review of Financial Studies*, April 2010, Vol. 23, No. 4, pp. 1596-1650.

Publisher DOI: <https://doi.org/10.1093/rfs/hhp079>

## **Working Papers**

"The Ramsey Steady-State Conundrum in Heterogeneous-Agent Economies," with Yi Wen, Federal Reserve Bank of St. Louis Working Paper 2022-009E, May 2024.

"What about Japan?" with Harold L. Cole and Hanno Lustig, Federal Reserve Bank of St. Louis Working Paper 2023-028B, November 2023.

"Optimal Dynamic Tax-Transfer Policies in Heterogeneous-Agents Economies," with Yi Wen, Federal Reserve Bank of St. Louis Working Paper 2023-009A, May 2023.

"Are Government Bonds Net Wealth or a Liability? ---Optimal Debt and Taxes in an OLG Model with Uninsurable Income Risk," with Yi Wen and HsinJung Yu, Federal Reserve Bank of St. Louis Working Paper 2020-007C, January 2021.

"Implementing the Modified Golden Rule? Optimal Ramsey Capital Taxation with Incomplete Markets Revisited," with Yunmin Chen and C.C. Yang, Federal Reserve Bank of St. Louis Working Paper 2017-003I, October 2020.

"Convergence to Rational Expectations in Learning Models: A Note of Caution," with In-Koo Cho and B. Ravikumar, Federal Reserve Bank of St. Louis Working Paper 2020-027B, September 2020.

"The Real Term Premium in a Stationary Economy with Segmented Asset Markets," with Junsang Lee, Federal Reserve Bank of St. Louis Working Paper 2018-030A, April 2018.

"Optimal Ramsey Capital Income Taxation—A Reappraisal," with Yi Wen, Federal Reserve Bank of St. Louis Working Paper 2017-024C, February 2018.

"Incentive Compatibility as a Nonnegative Martingale," with Yunmin Chen and C.C. Yang, Federal Reserve Bank of St. Louis Working Paper 2015-043C, December 2016.

### **Articles in Federal Reserve Bank of St. Louis Publications**

"Credit Expansion and Markups," Federal Reserve Bank of St. Louis *Review*, Fourth Quarter 2022, Vol. 104, No. 4, pp. 297-316.

"Stability and Equilibrium Selection in Learning Models: A Note of Caution," Federal Reserve Bank of St. Louis *Review*, Fourth Quarter 2021, Vol. 103, No. 4, pp. 477-88.

"Optimal Capital Taxation and Precautionary Savings," Federal Reserve Bank of St. Louis *Review*, Third Quarter 2021, Vol. 103, No. 3, pp. 333-49.

"Convergence to Rational Expectations in Learning Models: A Note of Caution," Federal Reserve Bank of St. Louis *Review*, Third Quarter 2021, Vol. 103, No. 3, pp. 351-65.

"The Real Term Premium in a Stationary Economy with Segmented Asset Markets," Federal Reserve Bank of St. Louis *Review*, Second Quarter 2019, Vol. 101, No. 2, pp. 115-34.

"Optimal Ramsey Capital Taxation with Endogenous Government Spending," Federal Reserve Bank of St. Louis *Review*, Fourth Quarter 2016, Vol. 98, No. 4, pp. 311-27.

"The Welfare Cost of Business Cycles with Heterogeneous Trading Technologies," Federal Reserve Bank of St. Louis *Review*, First Quarter 2015, Vol. 97, No. 1, pp. 67-86.